



City of Bothell™

2020

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

for the fiscal year ended December 31, 2020

## How We Make a Difference

ETHICS  
SERVICE  
SAFETY  
INNOVATION  
TEAMWORK



City of Bothell™

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For the  
Fiscal Year Ended  
December 31, 2020

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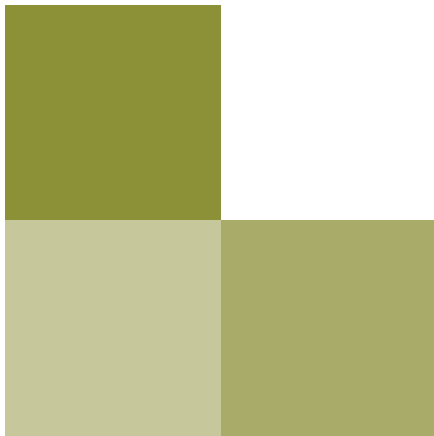
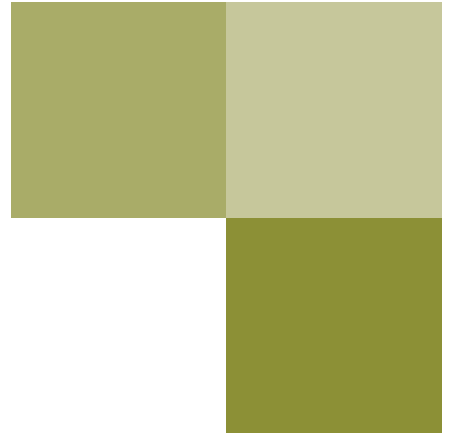
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# INTRODUCTORY SECTION

July 23, 2021

**HONORABLE MAYOR, MEMBERS OF THE CITY COUNCIL, AND CITIZENS OF THE CITY OF BOTHELL:**

It is my pleasure to present to you the Comprehensive Annual Financial Report (Annual Report) of the City of Bothell for the fiscal year ended December 31, 2020. This report is published annually as the official annual financial report, and complies with State law ([RCW 43.09.230](#)) requiring annual reports for Washington municipal governments to be certified and filed timely with the [State Auditor's Office](#).

The management of the City is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all related disclosures. The City operates under a system of accounting internal controls that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control assumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived.

Cities and counties of the State of Washington use the [Budgeting, Accounting and Reporting System \(BARS\)](#) developed and prescribed by the Office of the State Auditor. State law provides for an annual independent audit to be conducted by the Office of the State Auditor. This report includes the auditor's opinion with respect to the City's financial statements.

The City is a recipient of more than \$750,000 in federal assistance, and is therefore required to undergo an annual independent single audit in accordance with generally accepted auditing standards. The standards applicable to financial audits are contained in [Government Auditing Standards](#), issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). The State Auditor's Office conducted Bothell's single audit in conjunction with the City's annual independent audit. The City's single audit for the fiscal year ended December 31, 2020 cited zero deficiencies in the design or operation of internal controls over major federal programs.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Bothell's MD&A can be found immediately following the independent auditor's report.





### Profile of the Government

Originally populated by the Native American Sammamish people, the City of Bothell was incorporated in 1909, and for many years was a center for the logging industry, then a farming community, and then a bedroom suburb for people working in the greater Puget Sound area. Today, the municipality with a population of 48,400 straddles both King and Snohomish Counties, encompasses 14.38 square miles, and is ranked number 26 among the largest cities in the State of Washington.

The City of Bothell is a non-charter optional code city, operating under [Section 35A of the Revised Code of Washington](#). It has a Council-City Manager form of government. The seven members of the City Council are elected by voters and serve four-year terms. The Council elects the Mayor and Deputy Mayor from within its ranks, and contracts with a professional City Manager to carry out their established goals, policies and directives. The City Manager appoints eight department heads and an Assistant City Manager.

At the end of 2020, the City of Bothell had 387.85 authorized full-time equivalent positions. Bothell's full and part-time employees provide a full range of municipal services, including general government administration, police, fire, emergency medical services, planning and zoning, street maintenance and construction, and parks and recreation.

Bothell's proprietary operations consist of water, sewer, and storm and surface water utilities. The City also operates three internal service funds – Equipment Rental (Fleet), Self-Insurance, and Asset Replacement. The City has one blended component unit, COB Properties, which accounts for the City Hall lease. Garbage service is provided by an independent contractor, while library services are provided by the King County Library System.

The City prepares a biennial budget based upon established Council goals, and in accordance with the Revised Code of Washington (RCW 35A.34). The budget also includes the first two years of the adopted seven-year [Capital Facilities Plan \(CFP\)](#). The City Council adopts Bothell's biennial budget appropriation at the fund level prior to the first day of each odd-numbered calendar year. Reviews are conducted at the mid-biennium, and any changes for the second half of the biennium are adopted by City Council. In accordance with state law, budget status reports are provided to the Council and City management for each fiscal quarter. The adopted budget serves as a financial planning and policy document for use by the community, City Council and staff.



### Local Economy

Bothell is an affluent community with a healthy economy and tax base. Bothell's full value per capita (\$253,200) is above the US median, and increased dramatically from 2015 to 2019. The median family income is a robust 157% of the US level (Moody's Issuer Comment May 2021). Bothell is home to University of Washington-Bothell and Cascadia College, which share a common campus within Bothell's historic downtown. In addition, the Northshore School District, the school district that serves Bothell, is consistently recognized among the state's top school districts.

Bothell is home to three business parks; key industries within Bothell's the business parks include biotech and biomedical firms, wireless communications, medical device manufacturing, medical research and a state-designated innovation partnership zone facilitated by University of Washington-Bothell, Cascadia College, and private sector businesses. Major firms include:

AT&T (the largest communications holding company in the world based on revenue generation), Philips Medical Systems (a global leader in diagnostic imaging systems, patient monitoring and cardiac devices), Seattle Genetics Inc. (a global biotech company dedicated to revolutionizing cancer care), Sonosite Inc. (a world leader and specialist in hand-carried and mounted ultrasound) and T-Mobile (a national provider of wireless voice, messaging, and data services).



### Long-term Financial Planning and Major Initiatives

In May 2021, Moody's Annual Issuer Comment Report reaffirmed Bothell's Aa1 rating stating that Bothell's credit position is excellent. The Aa1 rating is significantly stronger than the median rating of Aa3 for cities nationwide. The notable credit factors include a robust financial position, a very strong wealth and income profile and a substantial tax base. It also reflects a light debt burden and a moderate pension liability.

Fiscal sustainability and strong reserves remain a top priority for the City. Since 2006, the City has utilized unreserved fund balance to invest in the revitalization of its historic downtown, which included environmental cleanup of properties acquired by the City as part of the revitalization efforts. Environmental cleanup has proven to be a costly endeavor and is required prior to the sale of the surplus properties. The City Council and staff are dedicated to replenishing reserves with the eventual proceeds of sale of the surplus properties. Two surplus properties are currently under contract for sale and are scheduled to close in the very near future.



The pandemic in 2020 had significant impacts on revenues and the City's ability to fund current Capital Facilities Plan (CFP) projects. As a result, the call for new projects was temporarily suspended for the 2021-2027 update. Staff was tasked with updating project timelines, reforecasting revenues, and realigning project schedules. The update did not significantly change the scope of the original CFP, but further refined the current project timelines and funding plans with consideration given to current economic conditions.

The City continues to move forward with the construction to replace two aging fire stations. The project is funded by a voter-approved Public Safety Bond. Construction is scheduled to begin Summer of 2021.

A major plan to achieve a new vision for the Snohomish portion of Bothell (Canyon Park Subarea) is progressing. The plan encourages a more walkable, accessible, livable, amenities, and competitive job center, and proposes policies and strategies to implement this new vision. The plan will also satisfy regional growth goals identified in the Puget Sound Regional Council's (PSRC) 2018 Regional Centers Framework Update and VISION 2050. Regional Growth Centers are urban areas throughout the Puget Sound designated to play a regional role in job and housing growth. They are supported by infrastructure and transportation investments.

### Relevant Financial Policies

The City recently completed an update to its comprehensive financial management policies. The following is a summary of the noteworthy financial policies. A review of the policies and consideration of updates is required at least every two years.

**Fund Balance.** The City strives to maintain sufficient fund balance to ensure funding for continuity of operations and to provide a buffer for revenue fluctuations. Fund balance targets are established for all funds that support operations and are based on fund specific factors. Fund balance targets range from thirty-days of operating expenditures to ninety-days of operating expenditures. If fund balance targets are not met in any given year, then staff must communicate a plan to replenish the fund balance within four years.

**Budget Development and Monitoring.** Policy dictates that prudent and conservative revenue and expenditures assumptions should be used in the development of a balanced budget. Budget monitoring is noted as a responsibility of department heads.

**One-Time Revenues.** One-time revenues should be used to fund one-time expenditures and not ongoing operations.

**Order of Funding.** Policy states that restricted funding should be utilized first to fund qualifying expenditures before unrestricted resources are considered.

**Long Range Financial Planning.** A six-year financial forecast shall be drafted and periodically updated as the City's long-range financial planning tool.

**User Fees-Full Cost Recovery.** Policy describes how and when user fees are established including an acknowledgement that certain fees are set at a rate that recovers the full cost of providing the services.

Capital Facilities Plan. A Capital Facilities Plan (CFP) is required. The CFP shall plan major infrastructure projects for a seven-year period and shall account for the maintenance and operating costs associated with projects. The first two years of the CFP are to be incorporated into the biennial budget.

### Awards and Acknowledgments

The [Government Finance Officers Association of the United States and Canada \(GFOA\)](#) awarded a [Certificate of Achievement for Excellence in Financial Reporting to the City of Bothell for its Annual Report for the fiscal year ended December 31, 2019](#). This was the 19th consecutive year Bothell has received this prestigious award. To receive a Certificate of Achievement award, a government must publish an easily readable and efficiently organized Annual Report that satisfies all generally accepted accounting principles and adheres to all applicable legal requirements.

A Certificate of Achievement represents the highest standards in government accounting and financial reporting. Bothell is submitting the City's 2020 CAFR to the GFOA to determine this report's eligibility for a certificate. Staff believes the City's 2020 CAFR again meets the requirements of the GFOA Certificate of Achievement for Excellence in Financial Reporting Program.

The City was also pleased to receive the GFOA Distinguished Budget Presentation Award for the City's 2019-2020 biennial budget document. GFOA presents this award to governments whose budget document is aligned with best practices and satisfies criteria as an effective policy document, a financial plan, an operations guide, and a communication device. The City has submitted its 2021-2022 budget document for consideration of the award.

Successful preparation of Bothell's 2020 Annual Report could not have been accomplished without the technical expertise and dedication of the City's Finance staff. Appreciation is also extended to the Mayor, Council, and City management for their steadfast encouragement in conducting Bothell's fiscal operations in a sound and prudent manner. The support and assistance from the State Auditor's Office is also appreciated.

We would be happy to respond to any questions or comments about the information contained in this report.

Respectfully submitted,



Chris Bothwell  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Bothell  
Washington**

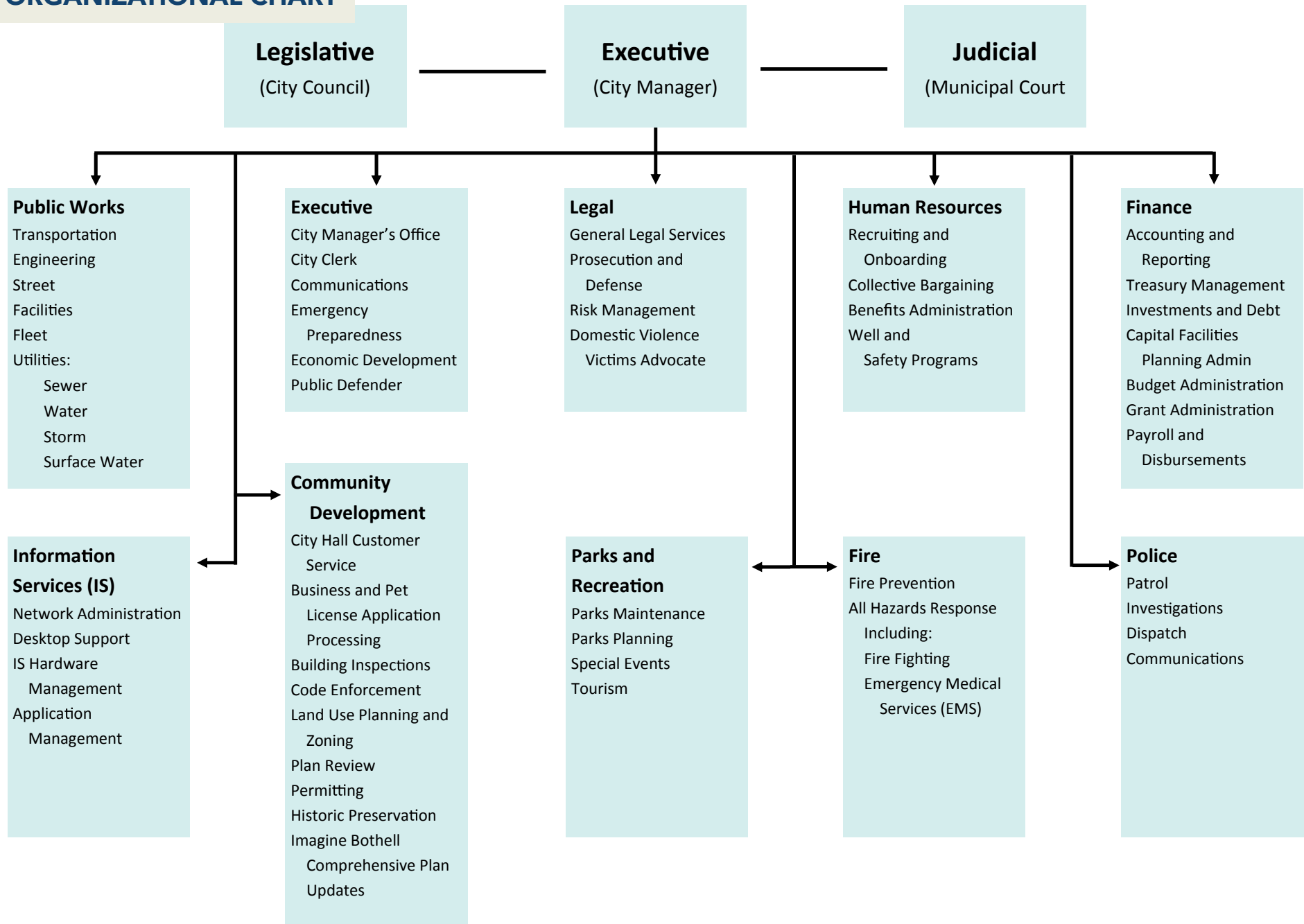
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

December 31, 2019

*Christopher P. Morrell*

Executive Director/CEO

## ORGANIZATIONAL CHART



**EXECUTIVE STAFF**  
**(OFFICIALS AS OF DECEMBER 31, 2020)**

Jennifer Phillips, City Manager  
Kellye Mazzoli, Assistant City Manager  
Chris Bothwell, Finance Director  
Mathew Pruitt, Human Resources Director  
Paul Byrne, City Attorney  
Michael Kattermann, Community Development Director  
Bruce Kroon, Fire Chief  
Kenneth Seuberlich, Police Chief  
Erin Leonhart, Public Works Director  
Nik Stroup, Parks & Recreation Director

**COUNCIL MEMBER**

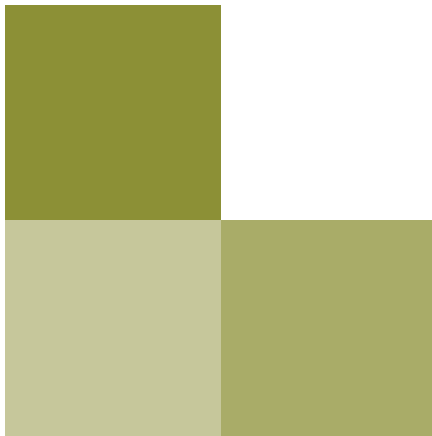
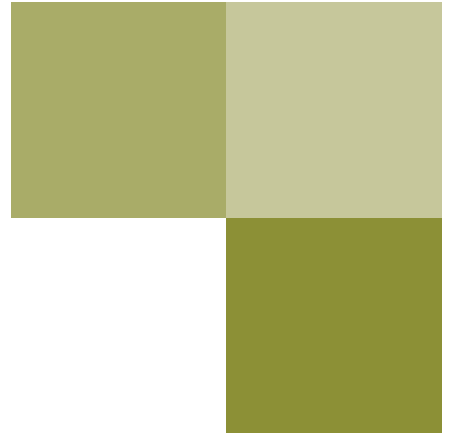
Liam Olsen, Mayor  
Jeanne Zornes, Deputy Mayor  
Mason Thompson, Council Member  
Rosemary McAuliffe, Council Member  
James McNeal, Council member  
Davina Duerr, Council Memner  
Tom Agnew, Council Member



L to R back row, Jeanne Zornes, Mason Thompson, James McNeal, Tom Agnew, Liam Olsen,  
Rosemary McAuliffe, Davina Duerr



City of Bothell™



## AUDITOR'S LETTER



**Office of the Washington State Auditor  
Pat McCarthy**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

Mayor and City Council  
City of Bothell  
Bothell, Washington

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bothell, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in



*Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Bothell, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Matters of Emphasis**

As discussed in Note 24 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect impact on the City is unknown. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who

considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining financial statements and supplemental information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated July 23, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of

that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

July 23, 2021



City of Bothell™



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The discussion and analysis section of the City of Bothell's Comprehensive Annual Financial Report is prepared by City management to provide users an overview of the City's financial activity and performance for the fiscal year ended December 31, 2020. Users are encouraged to consider Management's Discussion and Analysis in conjunction with additional information furnished in the letter of transmittal (Introductory Section) and the City's financial statements (Financial Section).

### 2020 Financial Highlights

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of year by \$657,765,918 (net position). Of this amount, \$21,277,695 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net position increased substantially by \$11,384,514 primarily due to the increase in tax revenues and intergovernmental revenues.
- The City's total net position decreased \$8,709,866 mainly due to a substantial depreciation generated in governmental capital assets. A prior period adjustment of \$6,121,043 was added to beginning net position which brought the ending net position to \$657,765,918. (See Note 22)
- At the close of the fiscal year, the City's governmental funds reported combined fund balances of \$58,633,462, an increase of \$3,569,909, compared to the prior year. Of this amount \$11,226,529 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$12,954,409, or approximately 24.7% of total general fund expenditures.
- The City's total outstanding long-term debt decreased by \$4,916,276 due to the redemptions of the bond principals and amortizations of the premiums.

### Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

### Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

For the City of Bothell, both of the government-wide statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Governmental activities include most of the City's basic services such as general government, public safety, highways and streets, parks and recreation, and development services. Sales, business, and property taxes finance most of these activities. Business-type activities, on the other hand, are services the City provides for a fee. Customers pay based on their actual usage. Business-type activities include water, sewer, and storm & surface water.

The government-wide financial statements include not only the City of Bothell itself, but also its blended component unit COB Properties, a nonprofit corporation, which accounts for the activities of the City Hall lease revenue bond issuance, debt services, and maintenance.

Government-wide financial statements are located in the Financial Section of this report.

### Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bothell, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** **Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Improvements Fund, Public Safety Capital Fund, and Arterial

Street Fund, which are considered to be major funds. Data from the other eight governmental funds are combined into a single aggregated presentation. Individual fund data for each of these governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found in the Financial Section of this report.

**Proprietary Funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, and storm and surface water activities. *Internal service funds* are an accounting method used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Equipment Rental, Self Insurance, and Asset Replacement functions. The internal service funds predominately benefit governmental rather than business-type functions, and therefore they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the enterprise funds. Conversely, internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements were reestablished in 2020 due to the implementation of GASB 84 Fiduciary Activities. (Refer to Basic Financial Statements 10 and 11, and Note 22)

**Notes to the Financial Statements.** The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are presented in the Financial Section of this report immediately following the basic financial statements.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees, and a schedule of revenues, expenditures, and changes in fund balance for the City's general fund.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, and a statistical section containing ten years of economic condition reporting are presented immediately following the required supplementary information.



## GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

## Statement of Net Position

The statement of net position serves as a useful indicator of the City's financial position.

As of December 31, 2020, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$657,765,918. Net investments in capital assets (e.g. land, buildings, machinery, and equipment) are by far the largest portion of the City's net position (91.6%), less any debt used to acquire those assets that is still outstanding. The City uses capital assets to provide services to citizens, consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following is a condensed version of the government-wide statement of net position for 2020 compared to 2019. The City's \$141,384 in unrestricted governmental net position increased by \$10,026,159 or 101%, mainly due to the addition of a new Public Safety Bond levy of \$1,590,286 and intergovernmental revenues of \$11,291,738 including a COVID19 relief grant of \$2,218,409.

## City of Bothell's Net Position

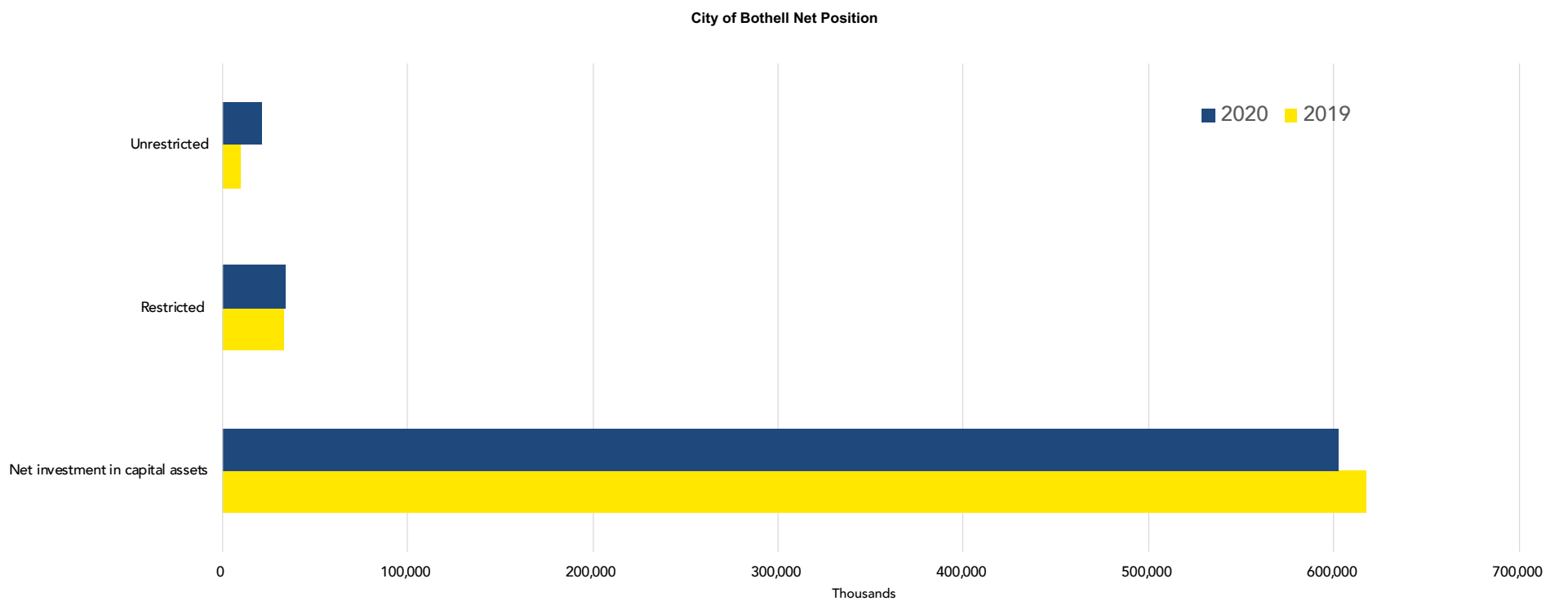
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$75,456,736	\$77,426,169	\$22,391,565	\$23,900,159	\$97,848,301	\$101,326,328
Capital assets	658,597,128	642,011,338	62,327,861	62,012,060	720,924,989	704,023,398
Total assets	734,053,864	719,437,507	84,719,426	85,912,219	818,773,292	805,349,726
Deferred outflows of resources	3,845,701	4,645,630	300,548	325,667	4,146,249	4,971,297
Long-term liabilities	129,921,951	125,351,490	17,102,691	16,140,385	147,024,643	141,491,876
Other liabilities	6,247,725	5,857,679	581,188	1,095,402	6,828,912	6,953,081
Total liabilities	136,169,676	131,209,169	17,683,880	17,235,787	153,853,555	148,444,957
Deferred inflows of resources	8,141,888	3,776,139	569,356	334,009	8,711,244	4,110,148
Net position						
Net investment in capital assets	571,700,385	556,090,023	45,672,414	46,215,411	617,372,799	602,305,433
Restricted	31,772,391	32,866,421	1,316,369	1,316,369	33,088,760	34,182,790
Unrestricted	(9,884,774)	141,384	19,777,955	21,136,310	9,893,181	21,277,695
<b>Total net position</b>	<b>\$593,588,002</b>	<b>\$589,097,828</b>	<b>\$66,766,738</b>	<b>\$68,668,090</b>	<b>\$660,354,740</b>	<b>\$657,765,918</b>

Current and other assets increased in governmental activities by \$1,969,433 from the prior year, mainly as a result of the new property tax levy for public safety bonds and CARES Act reimbursements.

Long-term liabilities, which consist of bonds, leases, compensated absences and postemployment benefit obligations, decreased by \$5,532,767 from the previous year for governmental and business-type activities combined. This was primarily due to long term debt redemption of \$4,916,276.

An additional portion of the City's net position, \$34,182,790, represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the City's unrestricted net position was \$21,277,695, an increase of 115% over the previous year.

The City's overall net position decreased \$8,709,866 from operating activities during 2020. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.



**Changes in Net Position**

**Governmental Activities.** During the current fiscal year, net position for governmental activities decreased by \$10,611,217. A prior period adjustment of \$6,121,043 due to a correction of capital asset depreciation added to an ending net position of \$589,097,828. (Refer to Note 22) Governmental activities account for 89.6% of the City's net position. The decrease in the overall net position of governmental activities is the result of a combination of depreciation costs of \$44,300,863 (Refer to Note 6) and reduced long term liabilities of \$4,570,461. (Refer to Note 13)

Governmental revenues increased \$8,507,433 from the prior year primarily due to \$2,218,409 in federal COVID-19 operating relief grants and \$7,206,715 increase in capital grants and contributions to fund ongoing transportation projects. Also, an increase of \$449,866 from property tax, sales tax, excise tax and business taxes.

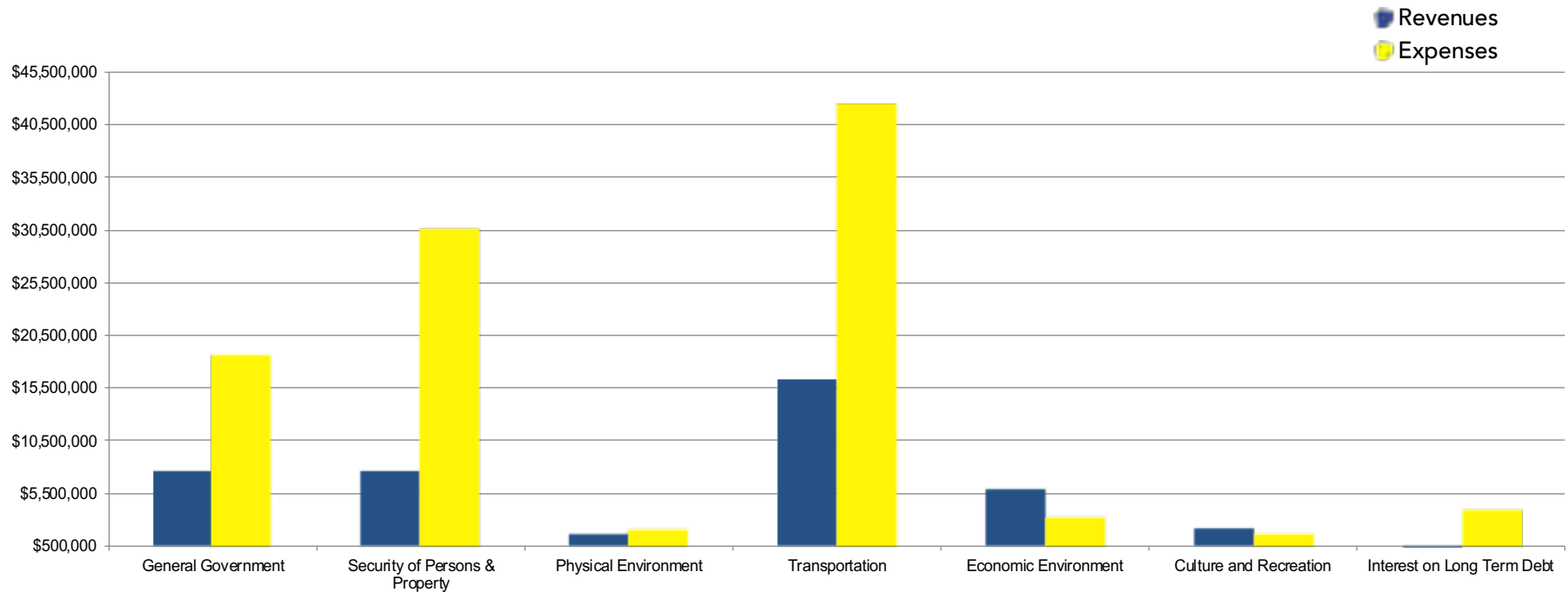
Governmental expenses by function for governmental activities remained relatively steady in comparison with prior year. Despite the unpredictability of the pandemic, 2020 expenses were significantly reduced due to the swift actions taken by the organization. These measures included employee furloughs, layoffs, other hiring/vacancy strategies and strict budget discipline.

As shown in the chart below, revenues generated by the City's programs are not sufficient to cover the costs. The City relies on property taxes, sales taxes, excise tax, business taxes and other general revenues to cover the costs associated with the various programs.

## Changes in Net Position

	2019			2020		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
<b>Revenues</b>						
Program revenues						
Charges for services	\$22,052,440	\$21,577,950	\$43,630,390	\$19,590,604	\$20,042,085	\$39,632,689
Operating grants and contributions	1,427,294	113,714	1,541,008	5,512,318	61,232	5,573,550
Capital grants and contributions	10,305,181	426,278	10,731,460	17,511,896	1,125,953	18,637,849
General revenues						
Property taxes	23,179,428		23,179,428	25,777,074		25,777,074
Sales taxes	23,107,676		23,107,676	16,419,635		16,419,635
Excise taxes				4,688,954		4,688,954
Business taxes	7,570,286		7,570,286	7,421,594		7,421,594
Interest and investment earnings	1,448,679	7,998	1,456,677	1,051,689	12,110	1,063,799
Miscellaneous	785,683		785,683	410,338		410,338
Total revenues	89,876,668	22,125,940	112,002,608	98,384,101	21,241,380	119,625,481
<b>Program expenses including indirect expenses</b>						
General government	18,481,329		18,481,329	18,572,174		18,572,174
Security of persons and property	31,280,308		31,280,308	30,675,844		30,675,844
Physical environment	2,656,681		2,656,681	2,268,331		2,268,331
Transportation	47,442,708		47,442,708	48,788,724		48,788,724
Economic environment	3,493,273		3,493,273	3,323,007		3,323,007
Culture and recreation	2,238,693		2,238,693	1,807,436		1,807,436
Interest and fiscal charges	3,536,401		3,536,401	3,966,414		3,966,414
Water		5,445,506	5,445,506		5,399,995	5,399,995
Sewer		8,084,249	8,084,249		8,006,728	8,006,728
Storm & surface water		5,789,406	5,789,406		5,526,694	5,526,694
Total expenses	109,129,394	19,319,161	128,448,556	109,401,930	18,933,417	128,335,347
Increase ( decrease) in net position before transfers	(19,252,726)	2,806,779	(16,445,947)	(11,017,829)	2,307,963	(8,709,866)
Transfers	412,566	(412,566)		406,612	(406,612)	
Increase ( decrease) in net position	<b>(\$18,840,160)</b>	<b>\$2,394,213</b>	<b>(\$16,445,947)</b>	<b>(\$10,611,217)</b>	<b>\$1,901,351</b>	<b>(\$8,709,867)</b>
Net position beginning	\$612,083,749	\$64,372,526	\$676,456,275	\$593,588,002	\$66,766,738	\$660,354,740
Prior period adjustment (see note 22)				\$6,121,043		\$6,121,043
Restatement per GASB 73 & 84 implementation (see note 22)	344,413		\$344,413			
<b>Net position ending</b>	<b>\$593,588,002</b>	<b>\$66,766,738</b>	<b>\$660,354,740</b>	<b>\$589,097,828</b>	<b>\$68,668,090</b>	<b>\$657,765,917</b>

### Expenses and Program Revenues - Governmental Activities



**Business-Type Activities.** For the City's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$68,668,090. The total increase in net position for business-type activities was \$1,901,351 or 2.85% higher than the prior fiscal year. The growth, in large part, is attributable to the capital contribution increase of \$699,675 and reduction of \$356,831 in the operating expenses throughout all three utility funds - Water, Sewer, and Storm and Surface Water.

### Financial Analysis of the Governmental Funds

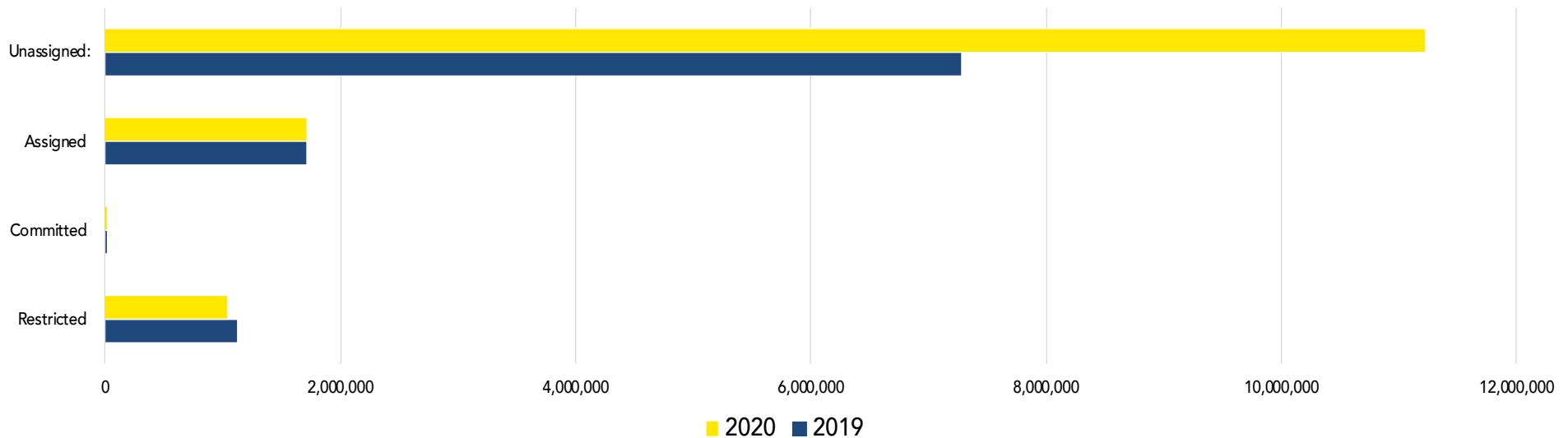
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use, as they represent the portion of fund balance which has not yet been limited for use for particular purposes by the City Council.

At the end of 2020, the City's governmental funds reported combined fund balances of \$58,633,462, an increase of \$3,569,909 compared to the prior year. This increase is due mainly to COVID-19 federal grant relief efforts and a combination of property tax, sale tax, excise tax and business tax revenue, which was up 3.1% (\$1,642,042) over 2019.

Approximately 19.2% of fund balance (\$11,226,529) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either restricted, committed, or assigned to indicate that it is 1) restricted for particular purposes (\$45,611,361), 2) committed for particular purposes (\$84,442), or 3) assigned for particular purposes (\$1,711,130).

General Fund Components of Fund Balance



The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,226,529. Total fund balance increased by \$3,866,847 mainly due to \$2,218,409 in CARES Act reimbursements and \$1,503,019 in expenditure reductions. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 80.2% of total General Fund balance and 21.4% of total General Fund expenditures, an increase of 8% from prior fiscal year.

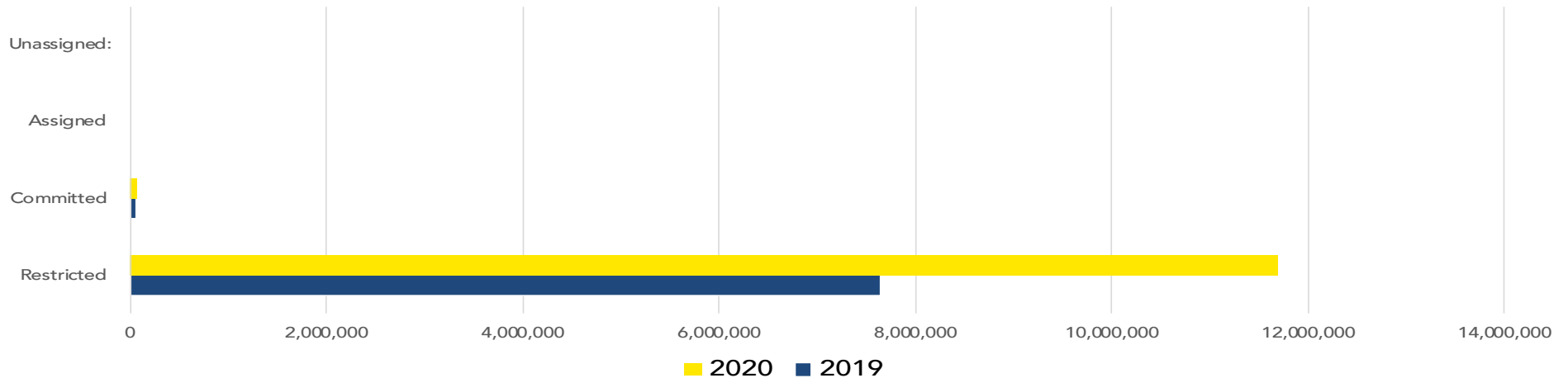
The Capital Improvements Fund, a major fund, increased \$84,230 in fund balance mainly due to capital grants funding for major transportation projects. However, the major revenue source of real estate excise tax decreased by 18.3%.

The Public Safety Capital Fund is a major fund to account for the construction of two new fire stations. In 2020, the City expended \$2,466,823 (10%) of the original \$25 million in voter-approved GO bonds. The fire stations are scheduled to be completed in 2023.

The Arterial Street Fund, the remaining major governmental fund, decreased fund balance by \$2,120,589 during the current year, bringing the year-end fund balance to \$3,236,572. This decrease was a result of reduced impact and mitigation fee revenues, and impact fee refunds.

All other governmental funds experienced an increase in fund balance of \$4,047,854. The increase was due mainly to the new voter-approved Public Safety levy starting in 2020. Approximately \$1.6 million is to repay principal and interest of the Public Safety Capital GO Bonds.

#### Other Governmental Funds Components of Fund Balance



**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water Fund at the end of the year was \$4,454,448, the Sewer Fund was \$7,968,018, and the Storm & Surface Water Fund was \$8,713,845. The total growth in net position for all three funds was \$102,168, \$146,262 and \$1,652,921 respectively. As noted earlier in the discussion of business-type activities, the increase for water, sewer, and storm & surface water rates and capital grants and capital contributions resulted in the growth of the unrestricted net position.

#### General Fund Budgetary Highlights

The City of Bothell adopts a biennial budget for its General Fund and budget amendments are presented to Council throughout the year as needed.

The General Fund has three major revenue sources – sales tax, property tax and utility tax. In 2020, sales tax collections increased by more than two percent compared to 2019 as a result of strong third and fourth quarter collections. Despite the rebound, sales tax lagged the adopted biennial budget by approximately \$2.5 million for the biennium. Utility tax collections decreased by a modest \$180,000, but also underperformed relative to the budget by approximately \$2 million for the biennium. In addition, the City received \$2.2 million in CARES Act reimbursements and \$2 million in Ground Emergency Medical Transport (GEMT) revenues, both of which were unbudgeted revenue sources.

General Fund expenditures were significantly below budget as a direct result of early actions in response to the pandemic. Employee furloughs, layoffs, and other hiring/vacancy strategies, along with exercising budget discipline, resulted in approximately \$1.6 million in expenditure savings in 2020, thereby ending the biennium 3.5% less than projected.

### Capital Assets and Debt Administration

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$704,023,398 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, utility structures and construction in progress. The total decrease in capital assets for 2020 was 2.4%.

In 2020, the coronavirus pandemic attributed in delaying the completion of two major capital projects:

- NE 188th Street Non-Motorized Improvements
- Park at Bothell Landing Pedestrian Bridge Replacement

Project costs of over \$4.6 million remain as construction in progress and are expected to be completed in 2021.

Another major capital project is the replacement of two outdated fire stations. The project is funded from \$35.5 million voter-approved bonds and \$2.5 million of fire impact fees and other contributions. In December 2019, the City issued \$25 million in bonds to start the construction process. In 2020, the City expended \$2.4 million on building design. Construction of both fire stations is expected to begin July 2021 with completion by 2023.

Following is a condensed version of the City's capital assets, net of depreciation, related to governmental and business-type activities for fiscal years 2019 and 2020:

#### City of Bothell's Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
Land and land improvements	\$71,978,308	\$72,545,127	\$285,302	\$285,302	\$72,263,609	\$72,830,428
Infrastructure right-of-way	81,888,608	82,211,379	1,935,868	1,935,868	83,824,476	84,147,247
Buildings	12,087,383	11,777,366	6,895,825	6,724,825	18,983,207	18,502,191
Capital lease - City Hall	46,842,644	45,813,135			46,842,644	45,813,135
Improvements	48,818,682	45,323,226	49,926,835	49,609,772	98,745,517	94,932,998
Infrastructure	364,486,722	335,699,943			364,486,722	335,699,943
Vehicles	4,132,761	3,569,578	88,466	79,985	4,221,227	3,649,563
Machinery & equipment	1,698,296	1,298,494	1,061,620	945,855	2,759,917	2,244,349
Construction in progress	23,252,205	40,680,751	2,133,946	2,430,453	25,386,151	43,111,204
Work of art	121,519	115,672			121,519	115,672
Intangible asset	3,290,000	2,976,667			3,290,000	2,976,667
<b>Total</b>	<b>\$658,597,128</b>	<b>\$642,011,338</b>	<b>\$62,327,861</b>	<b>\$62,012,060</b>	<b>\$720,924,989</b>	<b>\$704,023,398</b>



Major capitalization and additional information on the City's capital assets can be found in the Financial Section, Note 6 of the Basic Financial Statements.

**Long-term Debt.** In 2020, the City's total debt decreased by \$4,916,276 (3.8%). The City paid debt principal of \$4,540,609 in accordance with debt schedules and amortized bond premiums of \$375,667 using the straight-line method. The City had no new debt issuance in 2020.

Washington State statute limits the amount of general obligation debt issued by a unit of government to 7.5% of the total assessed value of taxable property located within that government's boundaries. As of January 1, 2020, the City's outstanding net debt was \$108,342,413.

At the end of 2020, the City's total long-term debt was \$124,139,062, including bonded debt outstanding of \$73,403,126 (general obligation bonds and utility revenue bonds). Of this amount, \$58,153,006 of the debt is backed by the full faith and credit of the government. The remainder of the City's long-term obligations is comprised of public trust fund loans, capital leases, and utility revenue bonds. Additional information regarding the City's long-term debt is located in the Financial Section, Note 13.

#### City of Bothell's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2019	2020	2019	2020	2019	2020
General obligation debt	\$60,307,219	\$58,153,006			\$60,307,219	\$58,153,006
Capital lease	46,623,437	45,180,265			46,623,437	45,180,265
Loans	5,469,235	5,009,142	592,046	546,530	6,061,281	5,555,672
Utility revenue bonds			16,063,401	15,250,120	16,063,401	15,250,120
<b>Total</b>	<b>\$112,399,891</b>	<b>\$108,342,413</b>	<b>\$16,655,447</b>	<b>\$15,796,649</b>	<b>\$129,055,338</b>	<b>\$124,139,062</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

As of April 2021, Washington State Economic and Revenue Council reports the Washington economy continues to recover from the recession but growth has slowed. Washington's unemployment rate declined to 5.4% in March from 5.6% in February. The unemployment rate is down significantly from the 16.3% rate reached in April 2020. Total nonfarm payroll employment increased 24,800 in March which was 19,400 more than the increase of 5,500 expected in the forecast. Despite strong March growth, Washington employment is 5.9% lower than its February 2020 peak. Washington's housing construction remains strong. The decline in Washington real GDP in 2020 was mild due to a favorable mix of industries.

The 2021-2022 Adopted Budget includes a 1% property tax increase. Washington State law limits the increase of property tax from the actual amount collected in the previous year to 1%. Also included in Bothell's property tax are Safe Street and Sidewalks levy, Public Safety levy and Public Safety Bond levy. Total levy rate for 2021 is \$1.99/\$1,000 assessed value.

Bothell's fees for 2021 increased by 1.0%. City fees increase annually on January 1 of each year. Fees are increased based upon the June-to-June Consumer Price Index (CPI-W), or by the amount required to continue to ensure full cost recovery. 2021 utility rates increased as follows: 6% water, 3.5% sewer and 5% storm and surface water. These rates pay for utility expenses and capital projects identified in the City's 2021-2027 Capital Facilities Plan. The City's utility funds remain financially stable due to sound operational and project management, coupled with continued adoption of annual rate increases that keep pace with inflation and capital demands.

The City continues to monitor the economic forecast along with any post-pandemic behavior that might affect the City's financial condition moving forward into 2021.

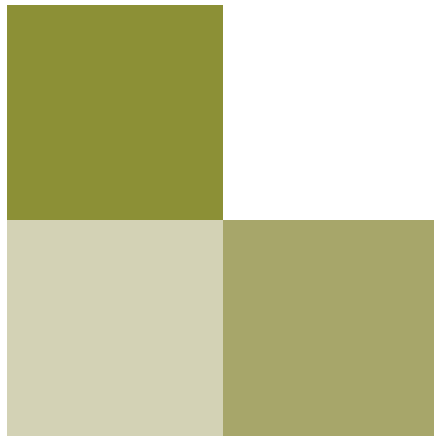
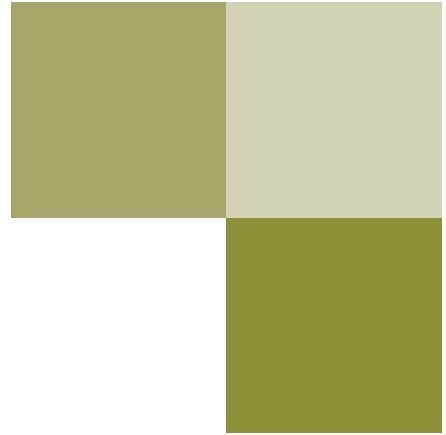
**Requests for Information**

This financial report is designed to provide a general overview of the City of Bothell's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

*City of Bothell Finance Director, 18415 101st Avenue NE, Bothell, WA 98011.*



City of Bothell™



# **BASIC FINANCIAL STATEMENTS**

**Statement of Net Position  
December 31, 2020**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,018,297	\$ 820,747	\$ 4,839,044
Investments	50,766,436	18,962,038	69,728,474
Receivables (net)	12,442,655	2,801,005	15,243,661
Taxes receivable	352,082		352,082
Reserved assets:			
Deposit held in trust	276,939		276,939
Investment		1,316,369	1,316,369
Capital assets:			
Non-depreciable	195,437,257	4,651,623	200,088,879
Depreciable, net	446,574,081	57,360,437	503,934,518
Net pension asset	9,569,760		9,569,760
Total assets	<u>719,437,507</u>	<u>85,912,219</u>	<u>805,349,726</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pension	4,581,135	325,667	4,906,802
Deferred outflows - other postemployment benefits (OPEB)	64,495		64,495
Total deferred outflows of resources	<u>4,645,630</u>	<u>325,667</u>	<u>4,971,297</u>
<b>LIABILITIES</b>			
Accounts payable	5,580,740	1,095,402	6,676,142
Unearned revenue	276,939		276,939
Long-term liabilities (see Note 13):			
Due within one year	7,661,074	888,798	8,549,872
Due in more than one year	104,253,934	14,907,852	119,161,786
Other postemployment benefits (OPEB):			
Due within one year	188,147		188,147
Due in more than one year	6,866,547		6,866,547
Net pension liability - due in more than one year	6,381,788	343,736	6,725,524
Total liabilities	<u>131,209,169</u>	<u>17,235,787</u>	<u>148,444,957</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - pension	3,775,864	321,100	4,096,964
Deferred inflows - advanced grant	275	12,909	13,184
Total deferred inflows of resources	<u>3,776,139</u>	<u>334,009</u>	<u>4,110,148</u>
<b>NET POSITION</b>			
Net investment in capital assets	556,090,023	46,215,411	602,305,433
Restricted for:			
Net pension asset	9,676,158		9,676,158
Transportation	3,236,572		3,236,572
Parks & Recreation	4,263,094		4,263,094
Capital projects	7,233,536		7,233,536
Street maintenance	3,223,639		3,223,639
Drug forfeitures	120,919		120,919
Fire impact fees	318,661		318,661
Public safety levy	3,748,109		3,748,109
Debt service	3,626	1,316,369	1,319,995
Firefighter's Pension	358,749		358,749
Cemetery (permanently restricted)	16,321		16,321
Other purpose	667,037		667,037
Unrestricted (deficit)	141,384	21,136,310	21,277,695
<b>Total net position</b>	<u>\$ 589,097,828</u>	<u>\$ 68,668,090</u>	<u>\$ 657,765,918</u>

The accompany notes are an integral part of this statement 1

**Statement of Activities**  
**For the Year Ended December 31, 2020**

Functions/program	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities
<b>Total</b>						
Primary government:						
Government activities:						
General government	\$ 18,572,174	\$ 5,456,331	\$ 2,159,309		\$ (10,956,534)	\$ (10,956,534)
Security of persons and property	30,675,844	6,257,028	1,857,150		(22,561,666)	(22,561,666)
Physical environment	2,268,331	1,579,171	122,217		(566,943)	(566,943)
Transportation	48,788,724	356,242	907,829	15,732,016	(31,792,636)	(31,792,636)
Economic environment	3,323,007	5,495,605	443,633		2,616,231	2,616,231
Culture and recreation	1,807,436	446,226	22,180	1,779,879	440,849	440,849
Interest	3,966,414				(3,966,414)	(3,966,414)
<b>Total governmental activities</b>	<b>109,401,930</b>	<b>19,590,604</b>	<b>5,512,318</b>	<b>17,511,896</b>	<b>(66,787,113)</b>	<b>(66,787,113)</b>
Business-type activities:						
Water	5,399,995	5,335,881	1,130	246,273		183,290
Sewer	8,006,728	8,039,850	872	189,385		223,379
Storm & surface water	5,526,694	6,666,354	59,230	690,295		1,889,185
<b>Total business-type activities</b>	<b>18,933,417</b>	<b>20,042,085</b>	<b>61,232</b>	<b>1,125,953</b>		<b>2,295,853</b>
<b>Total primary government</b>	<b>128,335,347</b>	<b>39,632,689</b>	<b>5,573,550</b>	<b>18,637,849</b>	<b>(66,787,113)</b>	<b>2,295,853</b>
General Revenues:						
Property taxes					25,777,074	25,777,074
Sales taxes					16,419,635	16,419,635
Excise taxes					4,688,954	4,688,954
Business taxes					7,421,594	7,421,594
Interest and investment earnings					1,051,689	12,110
Miscellaneous					410,338	410,338
Transfers					406,612	(406,612)
<b>Total general revenues and transfers</b>					<b>56,175,896</b>	<b>(394,502)</b>
Change in net position					(10,611,217)	1,901,351
Net position - beginning					593,588,002	66,766,738
Prior period adjustment (See Note 22)					6,121,043	6,121,043
<b>Net position - ending</b>					<b>589,097,828</b>	<b>68,668,090</b>

**Balance Sheet**  
**Governmental Funds**  
**December 31, 2020**

		Special Revenue Fund	Capital Projects Fund		Other Governmental Funds	Total Governmental Funds
	General	Arterial Street	Capital Improvements	Public Safety Capital		
<b>ASSETS</b>						
Current cash & cash equivalents	\$ 1,954,382	\$ 256,105	\$ 287,394		\$ 997,399	\$ 3,495,281
Investments	9,425,879	3,000,000	1,900,000	23,316,377	10,824,179	48,466,436
Receivables (net of allowances)						
Taxes	187,952				164,130	352,082
Accounts receivable	1,870,735		41,794		15,323	1,927,852
Due from other governmental units	4,121,346		6,192,373		133,267	10,446,986
<b>Total assets</b>	<b>\$ 17,560,294</b>	<b>\$ 3,256,105</b>	<b>\$ 8,421,562</b>	<b>\$ 23,316,377</b>	<b>\$ 12,134,299</b>	<b>\$ 64,688,637</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	575,180		1,734,514	343,793	62,691	2,716,178
Deposits payable	410,651					410,651
Due to other governmental units	101,043		4,722		4,388	110,153
Payroll payable	1,849,163				180,282	2,029,444
<b>Total liabilities</b>	<b>2,936,036</b>		<b>1,739,236</b>	<b>343,793</b>	<b>247,360</b>	<b>5,266,426</b>
Deferred Inflows of Resources						
Unavailable revenue-property tax, service fees & impact fees	633,027	19,533			135,913	788,473
Unavailable revenue-advanced grant			275			275
<b>Total deferred inflows of resources</b>	<b>633,027</b>	<b>19,533</b>	<b>275</b>		<b>135,913</b>	<b>788,748</b>
Fund balances:						
Restricted	1,036,822	3,236,572	6,682,050	22,972,584	11,683,333	45,611,361
Committed	16,750				67,692	84,442
Assigned	1,711,130					1,711,130
Unassigned	11,226,529					11,226,529
<b>Total fund balances</b>	<b>13,991,231</b>	<b>3,236,572</b>	<b>6,682,050</b>	<b>22,972,584</b>	<b>11,751,025</b>	<b>58,633,462</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 17,560,294</b>	<b>\$ 3,256,105</b>	<b>\$ 8,421,562</b>	<b>\$ 23,316,377</b>	<b>\$ 12,134,299</b>	<b>\$ 64,688,637</b>

The accompany notes are an integral part of this statement 3

**Reconciliation of the Governmental Funds Balance Sheet  
To the Statement of Net Position  
December 31, 2020**

Total fund balances for the governmental funds		\$ 58,633,462
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.		
Non-depreciable assets	195,437,257	
Depreciable assets (net)	<u>446,574,081</u>	642,011,338
Deferred inflows of resources in the governmental funds are unavailable revenue in the governmental activities in the statement of net position.		
Unavailable revenue-property tax & impact fees		788,473
Pension fund used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.		
Pension assets		9,569,760
Deferred outflows - pension		4,581,135
Deferred outflows - OPEB		64,495
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position are:		
		2,576,520
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period, and accordingly are not reported as fund liabilities.		
Compensated absences	(3,281,596)	
Other post-employment benefits payable	(7,054,694)	
Pollution remediation liability	(291,000)	
Pension liability	(6,381,788)	
Bonds and loan payable	<u>(108,342,413)</u>	(125,351,490)
Pension fund used in governmental activities are not financial resources, and therefore are not reported in the governmental funds.		
Deferred inflows - pension		(3,775,864)
<b>Total net position of governmental activities</b>		<b>\$ 589,097,828</b>



**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2020**

	Special Revenue Fund		Capital Projects Fund		Other	Total
	General	Arterial Street	Capital Improvements	Public Safety Capital	Governmental Funds	Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 36,758,445		\$ 4,659,893		\$ 12,667,011	\$ 54,085,349
Licenses and permits	3,604,398		502,304		77,813	4,184,515
Intergovernmental revenues	4,702,356		16,698,388		960,960	22,361,704
Charges for services	10,154,701	545,914			933,776	11,634,391
Fines and forfeitures	184,679				42,447	227,126
Interest earnings	892,825			158,864		1,051,689
Contributions	93,718		4,848			98,566
Other revenue	356,401		16,791		976	374,168
Total revenue	<u>56,747,524</u>	<u>545,914</u>	<u>21,882,225</u>	<u>158,864</u>	<u>14,682,982</u>	<u>94,017,510</u>
<b>EXPENDITURES</b>						
Current						
General government	13,295,360				823,517	14,118,876
Security of persons and property	27,312,472				2,681,465	29,993,936
Transportation	4,885,104		1,799		2,667,900	7,554,802
Physical environment	20,006					20,006
Economic environment	4,803,581					4,803,581
Culture and recreation	1,949,038					1,949,038
Other expenditures				473	(1,180)	(707)
Debt service:						
Debt service - principal			1,837,176		1,920,000	3,757,176
Debt service - interest	32,498		1,885,056		2,361,953	4,279,507
Capital outlay	67,737		21,137,346	2,466,823	171,209	23,843,114
Total expenditures	<u>52,365,795</u>		<u>24,861,377</u>	<u>2,467,296</u>	<u>10,624,863</u>	<u>90,319,330</u>
Excess (deficiency) of revenue over expenditures	<u>4,381,729</u>	<u>545,914</u>	<u>(2,979,152)</u>	<u>(2,308,432)</u>	<u>4,058,119</u>	<u>3,698,179</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sales of capital assets			30,000			30,000
Transfer in	50,000		4,777,495		1,694,114	6,521,608
Transfer out	(564,882)	(2,666,504)	(1,744,114)		(1,704,379)	(6,679,879)
Total other financing sources	<u>(514,882)</u>	<u>(2,666,504)</u>	<u>3,063,381</u>	<u>-</u>	<u>(10,266)</u>	<u>(128,270)</u>
Net change in fund balances	3,866,847	(2,120,589)	84,230	(2,308,432)	4,047,854	3,569,909
FUND BALANCES - JANUARY 1, 2020	10,124,384	5,357,161	6,597,820	25,281,015	7,703,172	55,063,553
<b>FUND BALANCES - DECEMBER 31, 2020</b>	<b>\$ 13,991,231</b>	<b>\$ 3,236,572</b>	<b>\$ 6,682,050</b>	<b>\$ 22,972,584</b>	<b>\$ 11,751,025</b>	<b>\$ 58,633,462</b>

**Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds To the Statement of Activities  
For the Year Ended December 31, 2020**

Net change in fund balances - total governmental funds \$ 3,569,909

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are depreciated over their estimated useful lives.

Changes in unavailable revenue	88,091
Donated capital assets	687,656
Expenditures for capital assets	23,843,114
Capital asset adjustments	(2,873,137)
Depreciation	(44,300,863)

Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities, resulting in an increase in the net position.

Debt principal payments	3,745,093
Debt issued	

Premium amortization on the bonds decreases long-term liabilities, resulting in an increase in the net position

Public safety GO bonds premium	125,968
Capital lease premium	78,172
LIFT bonds premium	85,484
2013 GO bonds premium	22,762

Long-term expenses reported in the statement of activities do not require the use of resources and therefore are not reported as expenditures in governmental funds:

Change in compensated absences payable	(333,769)
Change in other post-employment benefits payable	(973,553)
Change in pollution remediation liability	1,805,000

Pension liabilities	2,724,684
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net (expense) of the internal service funds and internal balances are reported with governmental activities.

1,094,173

**Change in net position of governmental activities**

**\$ (10,611,217)**

**Statement of Net Position  
Proprietary Funds  
December 31, 2020**

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Sewer	Storm & Surface Water	Total	Internal Service Funds
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 201,452	\$ 201,171	\$ 418,124	\$ 820,747	\$ 523,016
Investments	4,190,215	6,307,503	8,464,320	18,962,038	2,300,000
Accounts receivable	759,783	1,680,263	254	2,440,299	52,235
Due from other governments	1,130	872	358,704	360,706	15,582
Reserved assets:					
Deposit held in trust					276,939
Investment-revenue bond reserve	109,785	292,497	914,086	1,316,369	
Total current assets	5,262,365	8,482,306	10,155,488	23,900,159	3,167,773
Non-current assets					
Capital assets not being depreciated:					
Land	122,175	163,126		285,302	
Right of way			1,935,868	1,935,868	
Construction in progress	605,488	154,684	1,670,282	2,430,453	
Capital assets being depreciated:					
Intangible assets	141,538	122,978	146,663	411,179	
Buildings	2,729,301	3,513,086	2,304,125	8,546,512	35,285
Improvements other than buildings	28,083,047	17,564,753	35,781,739	81,429,538	1,501,071
Equipment	59,048	1,812,988	275,951	2,147,988	1,910,805
Vehicles	30,457	30,457	250,920	311,834	9,623,833
Less accumulated depreciation	(12,450,779)	(10,085,136)	(12,950,697)	(35,486,613)	(8,438,683)
Total non-current assets	19,320,274	13,276,935	29,414,850	62,012,060	4,632,310
Total assets	24,582,640	21,759,241	39,570,338	85,912,219	7,800,083
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows - pension	84,656	76,164	164,847	325,667	53,602
Total deferred outflows of resources	84,656	76,164	164,847	325,667	53,602
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	424,935	28,358	137,837	591,129	70,140
Payroll payable	51,180	48,273	98,429	197,882	35,936
Compensated absences	63,833	64,767	111,191	239,790	37,766
Due to other governments	66,601			66,601	57,116
Interest payable					151,122
Current portion of loans payable			45,516	45,516	
Current portion of revenue bonds payable, net	178,345	81,047	583,890	843,281	
Total current liabilities	784,894	222,443	976,863	1,984,200	352,079
Non-current liabilities					
Loans payable			501,013	501,013	
Revenue Bonds Payable, net	3,035,147	1,362,094	10,009,597	14,406,838	
Unearned revenue					276,939
Pension Liabilities	91,331	80,537	171,868	343,736	61,118
Total non-current liabilities	3,126,478	1,442,631	10,682,479	15,251,588	338,057
Total liabilities	3,911,372	1,665,074	11,659,341	17,235,787	690,136
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - advance grant			12,909	12,909	
Deferred inflows - pension	84,908	76,021	160,171	321,100	54,478
Total deferred inflows of resources	84,908	76,021	173,080	334,009	54,478
<b>NET POSITION</b>					
Net investment in capital assets	16,106,782	11,833,795	18,274,834	46,215,411	4,632,310
Restricted for debt service	109,785	292,497	914,086	1,316,369	
Unrestricted	4,454,448	7,968,018	8,713,845	21,136,310	2,476,761
<b>Total net position</b>	<b>\$ 20,671,015</b>	<b>\$ 20,094,310</b>	<b>\$ 27,902,765</b>	<b>\$ 68,668,090</b>	<b>\$ 7,109,071</b>

The accompany notes are an integral part of this statement 7

**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	Business-Type Activities				Governmental
	Enterprise Funds				Activities
	Water	Sewer	Storm & Surface Water	Total	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 5,287,886	\$ 8,016,169	\$ 6,640,442	\$ 19,944,496	\$ 3,538,089
Other operating revenue	2,568	23,682	25,912	52,162	
Total operating revenue	<u>5,290,454</u>	<u>8,039,850</u>	<u>6,666,354</u>	<u>19,996,658</u>	<u>3,538,089</u>
<b>OPERATING EXPENSES</b>					
Administrative and general	909,514	1,294,105	2,221,625	4,425,245	2,451,673
Purchased water	1,529,448			1,529,448	
Metro service		4,481,525		4,481,525	
Maintenance and operations	1,017,072	744,183	1,287,076	3,048,332	361,632
Customer accounts	212,220	241,531		453,751	
Taxes	775,454	585,891	359,861	1,721,206	
Depreciation	851,200	612,384	1,310,411	2,773,994	1,104,273
Total operating expenses	<u>5,294,909</u>	<u>7,959,619</u>	<u>5,178,973</u>	<u>18,433,500</u>	<u>3,917,578</u>
OPERATING INCOME (LOSS)	<u>(4,455)</u>	<u>80,232</u>	<u>1,487,381</u>	<u>1,563,158</u>	<u>(379,489)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment income			12,110	12,110	1,739,712
Intergovernmental revenue	1,130	872	59,230	61,232	
Miscellaneous revenue	45,427			45,427	
Proceeds from sale of capital assets including insurance recoveries					38,003
Gain (loss) on disposition of capital assets					(248,249)
Revenue bonds interest	(105,086)	(47,110)	(347,721)	(499,917)	(1,724,960)
Total non-operating revenue (expense)	<u>(58,529)</u>	<u>(46,238)</u>	<u>(276,381)</u>	<u>(381,148)</u>	<u>(195,494)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>(62,983)</u>	<u>33,994</u>	<u>1,211,000</u>	<u>1,182,010</u>	<u>(574,983)</u>
Transfers in					1,647,656
Transfers out	(81,121)	(77,117)	(248,374)	(406,612)	(1,082,774)
Capital contributions	<u>246,273</u>	<u>189,385</u>	<u>690,295</u>	<u>1,125,953</u>	
CHANGE IN NET POSITION	<u>102,169</u>	<u>146,262</u>	<u>1,652,921</u>	<u>1,901,351</u>	<u>(10,100)</u>
NET POSITION - BEGINNING	20,568,847	19,948,048	26,249,844	66,766,738	7,119,171
<b>NET POSITION - ENDING</b>	<u><b>\$ 20,671,015</b></u>	<u><b>\$ 20,094,310</b></u>	<u><b>\$ 27,902,765</b></u>	<u><b>\$ 68,668,090</b></u>	<u><b>\$ 7,109,071</b></u>

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2020**

	Business-Type Activities Enterprise Funds				Governmental Activities
	Water	Sewer	Storm & Surface Water	Total	Internal Service Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 5,316,210	\$ 8,088,725	\$ 6,861,936	\$ 20,266,871	\$ 3,619,756
Cash paid to employees	(1,194,283)	(1,120,907)	(2,255,960)	(4,571,149)	(813,788)
Cash paid to suppliers for goods and services	(2,274,364)	(5,663,806)	(1,291,651)	(9,229,821)	(1,992,788)
Cash paid for taxes	(775,454)	(585,891)	(359,861)	(1,721,206)	
Net cash provided by operating activities	1,072,110	718,122	2,954,463	4,744,695	813,180
<b>CASH FLOW FROM NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers out	(81,121)	(77,117)	(248,374)	(406,612)	(1,082,774)
Transfers in	-			-	1,647,656
Miscellaneous revenue	45,427			45,427	
Operating grants	1,130	872	59,230	61,232	
Net cash provided from non-capital activities	(34,563)	(76,245)	(189,144)	(299,953)	564,882
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets	(992,787)	(444,493)	(1,008,005)	(2,445,284)	(184,646)
Net capital lease					3,254,885
Construction cost payable					-
Interest paid on capital debt	(118,431)	(53,156)	(391,611)	(563,198)	(1,876,031)
Capital grants			329,633	329,633	
Capital contributions	246,273	189,385	360,662	796,320	
Deposit held in trust					898
Proceeds from sale of capital assets					38,003
Paid on revenue bond	(160,000)	(70,000)	(520,000)	(750,000)	(1,365,000)
Paid on capital debt			(45,516)	(45,516)	
Debt interest payable	-				(5,688)
Net cash (used) by capital and related activities	(1,024,945)	(378,264)	(1,274,836)	(2,678,046)	(137,578)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>					
Purchase investments	(400,000)	(600,000)	(3,250,000)	(4,250,000)	(1,200,000)
Interest and dividends			12,110	12,110	
Net cash provided by investing activities	(400,000)	(600,000)	(3,237,890)	(4,237,890)	(1,200,000)
Net increase (decrease) in cash and cash equivalents	(387,399)	(336,387)	(1,747,407)	(2,471,193)	40,484
Balances - January 1	588,851	537,559	2,165,531	3,291,940	482,533
<b>Balances - December 31</b>	<b>201,452</b>	<b>201,171</b>	<b>418,124</b>	<b>820,747</b>	<b>523,016</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	(4,455)	80,232	1,487,381	1,563,158	(379,489)
Adjustments to reconcile operating income to net cash provided (used) by operating activities					
Depreciation expense	851,200	612,384	1,310,411	2,773,994	1,104,273
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	26,630	49,468	364,331	440,429	97,307
Decrease (increase) in due from other governments	(874)	(593)	(168,749)	(170,216)	(15,582)
Increase (decrease) in non-capital accounts payable	165,902	5,339	83,195	254,436	5,459
Increase (decrease) in payroll payable	(6,944)	(8,873)	(30,797)	(46,614)	(12,334)
Increase (decrease) in due to other governments	66,601			66,601	57,116
Increase (decrease) in compensated absences payable	13,803	16,719	19,241	49,762	4,934
(decrease) in GASB 68 pension adjustments	(39,754)	(36,553)	(110,549)	(186,856)	(48,505)
<b>Net cash provided by operating activities</b>	<b>\$ 1,072,110</b>	<b>\$ 718,122</b>	<b>\$ 2,954,463</b>	<b>\$ 4,744,695</b>	<b>\$ 813,180</b>
Noncash investing, capital and financing activities					
Increase (decrease) in fair value of investments					
Capital contributions from developers	215,836.00	168,355.00	315,084.00	699,275.00	-

**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2020**

	Private-Purpose Trust Funds	Custodial Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 41,015	\$ 25,014	\$ 66,029
Total assets	<u>41,015</u>	<u>25,014</u>	<u>66,029</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total deferred outflows of resources	<u></u>	<u></u>	<u></u>
<b>LIABILITIES</b>			
Accounts payable		24,255	24,255
Total liabilities	<u></u>	<u>24,255</u>	<u>24,255</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Total deferred inflows of resources	<u></u>	<u></u>	<u></u>
<b>NET POSITION</b>			
Restricted for:			
Individuals, organizations and other governments	41,015	759	41,774
Unrestricted			
<b>Total net position</b>	<u>\$ 41,015</u>	<u>\$ 759</u>	<u>\$ 41,774</u>

**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2020**

	Private-Purpose Trust Funds	Custodial Fund	Total
<b>ADDITIONS</b>			
Court bail bond/restitution trust	\$ 92,335		\$ 92,335
Fees collections for other governments		176,750	176,750
Total additions	<u>92,335</u>	<u>176,750</u>	<u>269,085</u>
<b>DEDUCTIONS</b>			
Payments of Court bail bond/restitutions	87,370		87,370
Payments of fee to other governments		175,991	175,991
Total deductions	<u>87,370</u>	<u>175,991</u>	<u>263,361</u>
Net increase (decrease) in fiduciary net position	4,965	759	5,724
Net position - beginning			
Restatement per GASB 84 implementation (see Note 22)	36,051		36,051
Net position - ending	<b>\$ 41,015</b>	<b>\$ 759</b>	<b>\$ 41,774</b>

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January 1, 2020 through December 31, 2020

*The accompanying notes are an integral part of the enclosed financial statements.*

## NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

#### B. REPORTING ENTITY

The City is a municipal corporation operating under a Council-Manager form of government. The City's major operations, as authorized under the laws of the State of Washington applicable to a non-charter code city, include planning & zoning, public safety, public works, recreation & culture, and utilities. The accounting and reporting policies of the City conform to Generally Accepted Accounting Principles (GAAP) and are regulated by the Washington State Auditor's Office. The City's Comprehensive Annual Financial Report (CAFR) is prepared in accordance with Governmental Accounting Standards Board (GASB) and the following notes detail the City's significant accounting policies. The City has implemented all GASB statements applicable for implementation in 2020. (Refer to Note 22 Accounting and Reporting Changes). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

#### Blended Component Unit

The City has one blended component unit, COB Properties. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (Refer to Note 17).

#### C. BASIS OF PRESENTATION – GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial

statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The City's basic financial statements include both government- wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). The government-wide financial statements categorize primary activities as either governmental or business- type.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column; and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long- term debt and obligations.

The components of the City's net position are: net investment in capital assets, restricted net position, and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities. Fiduciary funds are excluded from government-wide statements.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities - general government, security of persons and property, physical environment, transportation, economic environment, mental and physical health, culture and recreation, water, sewer (wastewater), and storm drain (surface water).

General government revenues (property taxes, retail sales & use taxes, business taxes, excise taxes, and other taxes) also support these functions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the functions or a business-type activity.

#### **D. BASIS OF PRESENTATION – FUND FINANCIAL STATEMENTS**

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. The following is a description of the governmental funds of the City:

##### **Governmental Funds**

- **General fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- **Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes other than debt service or capital projects.

- **Capital project fund** accounts for financial resources that are restricted, committed, or assigned for capital outlays (other than those financed by business-type/ proprietary funds).
- **Debt service funds** are used to account for financial resources that are restricted, committed, or assigned to expenditures for principle and interest for debt.

### Proprietary Funds

Proprietary fund measurement focuses on determining operating income, changes in net position, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and from producing and delivering goods in connection with a proprietary fund's principle ongoing operation. The principal operating revenues of the City's Water, Sewer, and Storm & Surface Water Funds are derived from charges to customers for sales and services.

The Water, Sewer, and Storm & Surface Water Funds also recognize fees (operating revenue) intended to recover the cost of connecting new customers to the City's utility systems. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overhead, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The applicable, generally accepted accounting principles are similar to those used by businesses in the private sector. The following is a description of the proprietary funds of the City:

- **Enterprise funds** are required to be used (to account for operations) where a fee is charged to external users for goods or services and where the activity **(a)** is financed with debt that is solely secured by a pledge of the revenues; **(b)** has third party requirements that the cost of providing services, including capital costs, be recovered with fees and/ or charges; or **(c)** establishes fees and/ or charges based on a pricing policy designed to recover similar costs.
- **Internal service funds** are used to account for the financing of goods or services provided to other City funds on a cost-reimbursement basis.

### Fiduciary Funds

The Fiduciary Fund accounts for activities that carry out for the benefit of individuals and other agencies outside of the government such as employee groups, members of the public, and other governments. Fiduciary activities are reported under GASB Statement 84. The Statement establishes criteria for identifying fiduciary activities: (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

## MAJOR FUNDS

### Governmental Activities

#### General Fund

The General Fund accounts for all receipt and disbursement transactions of operations that are not accounted for in another fund. The General Fund includes

police, fire, health and social services, parks and recreation, finance and administration, planning, building inspection, community development, parks maintenance, public works and engineering management, and services contracted to other agencies. Beginning in 2019, the Firefighters Pension Fund is now reported in the General Fund in accordance with GASB Statement 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement No. 68.

### Arterial Street Fund

The Arterial Street Fund is a special revenue fund used to account for proceeds of restricted revenues dedicated to street construction and transportation improvement projects. The main source of revenue is impact fees. Impact fees are transferred to the Capital Improvement Fund in a reimbursement manner for right-of-way acquisition, design and construction of roadways, sidewalks, street lighting, traffic signals, and landscaping.

### Capital Improvement Fund

The Capital Improvement Fund accounts for special revenue dedicated to capital projects. The main sources of revenue are real estate excise taxes, mitigation fees, and grants.

### Public Safety Capital Fund

The Public Safety Capital Fund accounts for voter-approved bond proceeds dedicated towards public safety capital projects, including the construction of two fire stations.

## Business-Type Activities

### Water Fund

This fund is used to account for the provision of water service to a portion of the City. The City does not have its own water supply, but purchases water from the City of Seattle. All activities necessary to provide such service are accounted for in this fund, including administration, maintenance and operations, financing and debt service, and billing and collection. Funding for these activities is provided for by charges to residential and commercial water customers, permit fees, interest earnings, and rental fees. Water system construction was originally financed by revenue bonds and contributed capital.

### Sewer Fund

This fund is used to account for the provision of sanitary sewer service to a portion of the City. The City of Bothell does not operate a sewage treatment plant, but is connected to the King County Wastewater Treatment System for service on a contract basis.

All activities necessary to provide service are accounted for in this fund, including administration, maintenance, financing and related debt service, and billing and collection. Funding for these activities is provided for by charges to residential and commercial customers, permit fees, interest earnings, and rentals. Sewer system construction was financed originally by a local improvement district, contributed capital, and revenue bonds.

**Storm & Surface Water Fund**

This fund is used to account for the provision of storm drain and surface water services throughout the City. This utility was established to promote public health, safety, and welfare with a comprehensive approach to surface and storm water problems.

This comprehensive approach includes basin planning, land use regulation, facility construction, maintenance, and public education. Because the most cost-effective and beneficial approach to surface and storm water management is through preventative actions and protection of the natural drainage system, the utility gives priority to methods which provide protection or enhancement of the natural surface water drainage system over means primarily involving construction of new drainage facilities or systems.

Funding for these activities comes from charges to real property within the service area. The amount of each charge is based on the degree to which the property contributes to an increase in surface and storm water runoff.

**Other Governmental Funds****Street Fund**

The Public Works Street Division is responsible for evaluating, maintaining, and repairing all roadways, traffic control devices, drainage systems, sidewalks, and roadsides. This division is also responsible for street cleaning, snow and ice removal, and the removal of road debris from traffic lanes.

**Park Cumulative Reserve Fund**

The Park Cumulative Reserve Fund is used for the acquisition and development of parks. Funding is derived from park fees paid by developers.

**Drug Forfeiture Fund**

This fund accounts for monies seized from drug policing activities.

**Fire Impact Fees Fund**

Funds collected from developers used solely for the purpose of making capital improvements to accommodate new growth.

**Public Safety Levy Fund**

In 2019, the City created Public Safety Levy Fund to account exclusively for the public safety levy lid lift passed in November 2018 to improve and enhance various public safety resources.

**Cemetery Endowment Fund**

This permanent trust fund was established in 1993 to account for Bothell Pioneer Cemetery plot sales, donations, and investment earnings.

**General Obligation (GO) Bond Funds**

GO Bond Funds are created to provide for the retirement of general purpose bonds issued for City facilities and various capital projects. When capital expenditures are funded by debt authorized by voter approval, the revenues generated to retire these debts come from property taxes. Debt issued that is not guaranteed by property tax revenue depends on other sources of general City revenue in order to retire debt. In 2020, the City began collecting revenue from the Public Safety Levy providing funding to pay the Public Safety GO Bond debt.

**Internal Service Funds****Equipment Rental Fund**

The Equipment Rental Fund is an internal service fund created to provide for maintenance and replacement of City-owned vehicles and equipment. The Finance Department provides administrative and accounting services, while the Public Works Department performs maintenance and repairs.

**Self Insurance Fund**

The Self Insurance Fund accounts for the costs of administering the City's self-insurance liability, property insurance risks, and employee benefits.

**Asset Replacement Fund**

The Asset Replacement Fund accounts for monies set aside over the useful life of a major asset, to be used for future replacement of the asset.

**COB Properties Fund**

The COB Properties Fund accounts for the activities of the City Hall lease revenue bond issuance, debt services, and maintenance. COB Properties is a blended component unit of the City.

**E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible

within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and fiduciary fund financial statements are all prepared using *economic resources measurement focus* and the *accrual basis accounting* as are the government-wide financial statements as stated above.

## **F. BUDGETARY INFORMATION**

### **Budgetary basis of accounting**

Washington State law requires governments to adopt a balanced budget. Biennial appropriations are limited to total estimated revenues for the upcoming biennium, plus any unencumbered fund balance estimated to be available at the close of the current fiscal biennium. The City Council's adopted biennial budget constitutes legal authority for expenditure at the fund level. Three of these are internal service funds, whose costs are allocated (based on usage) to the funds that utilize their services.

Budget transfers or revisions within funds are allowed, however, other budget modifications must be by ordinance, and approved in the same manner as other ordinances of the city - including making the proposed amendments available to the public and providing time for public input.

## **G. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

### **Cash and Cash Equivalents**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and all highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition.

**Investments**

Investments for the City are reported at fair value (generally based on quoted market prices) except for the position in the State Treasurer's Local Government Investment Pool (LGIP). The LGIP manages a portfolio of securities that meet the maturity, quality, diversification and liquidity and market value calculation requirements set forth by the Governmental Accounting Standard Board (GASB) for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. Investments are reported on trade date basis in accordance with generally accepted accounting principles (GAAP). (Refer to Note 3)

**Receivables**

Taxes receivable consist of property taxes and related interest and penalties (Refer to Note 4). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year. Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for billings that have not yet been prepared.

Special assessments are recorded when levied. Special assessments receivables consist of current and delinquent assessments and related interest and penalties. Deferred assessments consist of unbilled special assessments that are liens against the property benefited.

Receivables have been reported net of estimated uncollectible accounts. Because property taxes, special assessments, and utility billings are considered liens on property, no estimated uncollectible amounts are established.

Court receivables consist of transactions handled by the Court in a fiduciary capacity such as a restitution, bail and state portion of certain fines and penalties and is reported as an asset, net of estimated uncollectible amounts with an offsetting liability.

**Inventories**

All City inventories are maintained on a consumption basis of accounting, where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Any material inventories at year-end are included in the balance sheet of the appropriate fund. Inventories are carried at cost on the first in, first out (FIFO) basis.

**Capital Assets and Depreciation**

Capital assets include land and land improvements, easements, building and building improvements, vehicles, and equipment. The straight-line method is used for depreciating assets (Refer to Note 6).

**Compensated Absences**

The City accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employees. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained as long term liabilities and represents a reconciling item between the balance sheet of the governmental funds and the governmental activities in the statement of net position.



**Other Post-Employment Benefits**

The City provides post-retirement health care benefits for members of the Law Enforcement Officers and Fire Fighters (LEOFF) retirement system hired prior to October 1, 1977 under a defined benefit healthcare plan administered by the City. As a single employer defined benefit plan, the City is required to recognize a liability equal to the net OPEB liability measured as of a date no earlier than the employer's prior fiscal year and no later than the end of the current fiscal year (the measurement date). (Refer to Note 9).

**Interfund Activity**

Interfund activities include reciprocal activities or interfund services provided and used; and, nonreciprocal activities or interfund transfers (Refer to Note 12).

**Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only one item that qualifies for reporting in this category in the Statement of Net Position. It is the amount related to pensions.

In addition to liabilities, the Statement of Net Position/Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one item that qualifies for reporting in this category in the Statement of Net Position. It is the amount related to pensions. Unavailable revenues in the Balance Sheet, such as property taxes, are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Long-Term Obligation**

In government-wide financial statements and proprietary funds types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose for a particular purpose from both restricted (e.g., restricted bond or grant proceeds)

and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

### Flow Assumptions

When the option is available to use restricted or unrestricted resources for any purpose, the City expends restricted resources first. When the option is available to use committed, assigned, or unassigned resources for any purpose, the City expends committed resources before assigned resources, and assigned resources before unassigned resources. However, prior to the commencement of any project, the flow assumption is reviewed to ensure that the proper resources are being used.

### Fund Balance

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). Fund balance classifications from the most restrictive to no restrictions are as follows:

- **Nonspendable** – Fund resources that are not in a spendable form (such as inventory), or that are required to be maintained intact (such as the corpus of an endowment fund).
- **Restricted** – Fund resources that are subject to restrictions legally enforceable by outside parties (such as grantors, bondholders, or higher levels of government) through constitutional provisions, or by enabling legislation.
- **Committed** – Fund resources that are legally limited by the government's highest level of decision-making authority (City Council). These resources cannot be used for any other purpose unless the government takes the same highest-level action (Resolution by City Council) to modify or eliminate those limitations.
- **Assigned** – Fund resources that are limited by a government for its intended use. Intent can be expressed by the governing body (Council, City Manager, or Directors) to which the governing body delegates the authority. Little or no formal action is required to modify or eliminate those limitations.
- **Unassigned** – Unrestricted fund resources that are not committed or assigned in the General Fund. Only positive unassigned fund balances are reported in the General Fund. Negative fund balances in any other governmental fund are considered unassigned.

## H. PROPRIETARY FUNDS OPERATING AND NONOPERATING REVENUES AND EXPENSES

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services to recover the cost of providing goods and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**NOTE 2****COMPLIANCE AND ACCOUNTABILITY**

The City of Bothell budgets its funds in accordance with the Revised Code of Washington (RCW) 35A.34. There have been no material violations of finance-related legal or contractual provisions, and no expenditures have exceeded legal appropriations in any City funds. GAAP serves as the budgetary basis of accounting.

**AMENDING THE BUDGET**

The budget, as adopted, constitutes the legal authority for expenditures. The City's budget is adopted at the fund level, so that expenditures may not legally exceed appropriations at that level of detail. Transfers or revisions within funds are allowed, but the City Council must approve supplemental or additional appropriations. The City's budget was amended on three occasions during the fiscal year.

The accompanying supplementary information presents both the original and amended budgetary information as approved. All appropriations, except for capital projects and restricted revenues, lapsed 20 days following the end of the biennium. Unexpended resources must be re-appropriated in a subsequent period.

**PROCEDURES FOR ADOPTING THE ORIGINAL BUDGET**

The City's biennial budget procedures are mandated by the Revised Code of Washington, Chapter 35A.34. Steps in the budget process are as follows:

- 1) Prior to October 1, the City Manager submits a proposed operating budget to the Council or the fiscal year commencing the following January 1. The operating budget includes proposed expenditures/expenses and the means of financing them.
- 2) A public hearing is conducted to obtain taxpayer comments.
- 3) During the month of December, the budget is legally enacted through the passage of an ordinance.
- 4) Revisions that alter any fund's appropriation must be approved by the City Council.



2019-2020 Final Budget Inflows and Outflows				
Fund	Original Inflows	Original Outflows	Final Inflows	Final Outflows
General Fund	110,830,580	111,262,007	111,375,580	111,795,007
Street Fund	12,061,100	12,264,880	12,061,100	12,264,880
Arterial Street Fund	7,404,438	5,105,192	7,404,438	5,105,192
Park Cumulative Reserve Fund	2,184,000	153,000	2,184,000	153,000
Drug Seizure Fund	115,000	28,800	115,000	57,600
Fire Impact Fee Fund	360,000		360,000	
Public Safety Levy Fund			10,847,000	8,811,314
LIFT General Obligation Bond	3,995,100	3,995,100	3,995,100	3,995,100
2013 GO Bond	1,393,926	1,393,926	1,393,926	1,393,926
Public Safety GO Bond			1,650,000	1,650,000
Capital Improvements Fund	65,486,124	70,695,623	70,415,124	76,710,623
Public Safety Capital Fund			26,500,000	25,500,000
Water Fund	11,934,398	14,937,192	11,934,398	15,937,192
Sewer Fund	16,605,575	20,603,686	16,605,575	21,603,686
Storm & Surface Water Fund	14,140,451	19,199,295	14,140,451	20,314,295
Equipment Rental Fund	4,697,604	4,697,598	4,697,604	4,697,598
Self Insurance Fund	3,640,054	3,640,055	3,640,054	3,640,055
Asset Replacement Fund	3,606,165	6,356,941	3,606,165	6,356,941
Firemen's Pension Reserve Fund	128,950	128,950	128,950	128,950
<b>Total</b>	<b>258,583,465</b>	<b>274,462,245</b>	<b>303,054,465</b>	<b>320,115,359</b>

## NOTE 3 DEPOSITS AND INVESTMENTS

### DEPOSITS

The City's deposits and certificates of deposit are entirely covered by the Federal Depository Insurance Corporation (FDIC), or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). The PDPC is a statutory authority established under Chapter 39.58 of the Revised Code of Washington. Deposits and investments are governed by the City's financial policies and are aligned with best practices focusing on strong internal controls to minimize risk of loss. In accordance with Washington State law, the deposit of all cash and cash-like items are to be deposited within 24 hours of receipt. Interest income and investment gains and losses from all idle funds are to be credited to the General Fund to the greatest extent allowable under State law.

### INVESTMENTS

The City's policy is to invest in a manner that provides maximum security, while meeting daily cash flow demands, conforming to all state and local statutes governing the investment of public funds, while providing a market rate of return through budgetary and economic cycles. The primary objectives in priority order of the City's investment activities are Safety, Liquidity, Return on Investment.

All municipal corporations in Washington State are empowered to invest in securities authorized by the Revised Code of Washington Chapter 39.59 and 35.39.

As required by state law, authorized investments of the City's funds are:

- obligations of the United States or its agency, or any corporation wholly owned by the government of the United States;
- obligations of the State of Washington, general obligations of Washington State municipalities;

- the State Treasurer's Local Government Investment Pool (LGIP);
- certificates of deposit with Washington State banks and savings and loan institutions;
- banker's acceptances, commercial paper and corporate notes purchased on the secondary market. Investing in corporate notes, the City must adhere to the investment policies and procedures adopted by Washington State Investment Board.

The LGIP manages a portfolio of securities that meet the maturity, quality, diversification and liquidity and market value calculation requirements set forth by the Governmental Accounting Standard Board (GASB) for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. The funds are limited to high quality obligations with regulated maximum and average maturities to minimize both market and credit risk. Investments are reported on trade date basis in accordance with generally accepted accounting principles (GAAP).

The City measures and records its investments except for LGIP within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The guidelines in GASB 72 recognize a three-tiered fair value hierarchy as follows:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities that the government can access at the measurement date. Observable markets include exchange markets, dealer markets, brokered markets and principal-to-principal markets.
- **Level 2:** These are inputs other than quoted prices included within Level 1 that are observable for the asset or liability (such as interest rates, yield curves, volatilities, credit spreads). Inputs are derived from or corroborated by observable market data through correlation including quoted prices for similar assets or liabilities in active markets or inactive markets.
- **Level 3:** Unobservable inputs for an asset or liability. Only should be used when relevant Level 1 and 2 inputs are unavailable.

As of December 31, 2020, the City's investments, excluding the Local Government Investment Pool (LGIP) are classified as Level 2 as the chart below.

**Investment Fair Value Measurement  
As of December 31, 2020**

	Total	Fair Value Measurements Using			Not Measured at Fair Value
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Amortized Cost
		Level 1	Level 2	Level 3	
U.S. Agencies	\$12,207,073		\$12,207,073		
Supranational Agency	6,047,945		6,047,945		
Municipal Bonds	3,056,690		3,056,690		
Corporate Bonds	2,534,149		2,534,149		
Local Government Investment Pool	47,198,985				47,198,985
<b>Total investments</b>	<b>\$71,044,842</b>		<b>\$23,845,857</b>		<b>\$47,198,985</b>

As of December 31, 2020, the City-wide's cash and investments are as follows:

	Governmental Funds	Internal Service Funds	Enterprise Funds	Fiduciary Funds	Total
Cash on hand	\$1,750				\$1,750
Deposits with financial institutions	3,493,531	523,016	820,747	66,029	\$4,903,323
Deposits in trust		276,939			\$276,939
Local Government Investment Pool	42,748,985	1,200,000	3,250,000		\$47,198,985
All other investments	5,717,451	1,100,000	17,028,407		\$23,845,857
<b>Total cash and investments</b>	<b>\$51,961,717</b>	<b>\$3,099,955</b>	<b>\$21,099,154</b>	<b>66,029</b>	<b>\$76,226,855</b>

## Basic Financial Statement

City of Bothell

Cash and investments listed by fund type:

Governmental Funds	General Fund	Special Revenue Fund	Capital Project Fund	Capital Project Fund	Other Governmental Funds	Total
		Arterial Street	Capital Improvement	Public Safety Capital		
Cash on hand	\$1,750					\$1,750
Deposits with financial institutions	1,952,632	256,105	287,394		997,399	3,493,531
Investments	9,425,879	3,000,000	1,900,000	23,316,377	10,824,179	48,466,436
<b>Total cash and investments</b>	<b>\$11,380,262</b>	<b>\$3,256,105</b>	<b>\$2,187,394</b>	<b>\$23,316,377</b>	<b>\$11,821,579</b>	<b>\$51,961,717</b>

Proprietary Funds	Enterprise Funds				Internal Service Funds
	Water	Sewer	Storm & Surface Water	Total	
Deposits with financial institutions	201,452	\$201,171	\$418,124	\$820,747	\$523,016
Deposits held in trust					276,939
Investments	4,190,215	6,307,503	8,464,320	18,962,038	2,300,000
Investments-reserved	109,785	292,497	914,086	1,316,369	
<b>Total cash and investments</b>	<b>\$4,501,452</b>	<b>\$6,801,171</b>	<b>\$9,796,530</b>	<b>\$21,099,154</b>	<b>\$3,099,955</b>

Internal Service Funds	Equipment Rental	Self Insurance	Asset Replacement	COB Properties	Total
Deposits with financial institutions	\$185,570	\$129,113	\$208,334		\$523,016
Investments			2,300,000		\$2,300,000
Deposits held in trust				276,939	\$276,939
<b>Total cash and investments</b>	<b>\$185,570</b>	<b>\$129,113</b>	<b>\$2,508,334</b>	<b>\$276,939</b>	<b>\$3,099,955</b>

Primary Government	Governmental Activities			Business-Type Activities	Primary Government
	Governmental Funds	Internal Service Funds	Total	Enterprise Funds	Total
Cash on hand	\$1,750		\$1,750		\$1,750
Deposits with financial institutions	3,493,531	523,016	\$4,016,547	820,747	4,837,294
Deposits held in trust		276,939	276,939		276,939
Investments	48,466,436	2,300,000	50,766,436	18,962,038	69,728,474
Investments-reserved				1,316,369	1,316,369
<b>Total Cash, Deposit and Investments</b>	<b>\$51,961,717</b>	<b>\$3,099,955</b>	<b>\$55,061,672</b>	<b>\$21,099,154</b>	<b>\$76,160,826</b>

Fiduciary Funds	Private-Purpose Trust Funds	Custodial Fund	Total
Deposits with financial institutions	\$41,015	\$25,014	\$66,029
<b>Total cash and investments</b>	<b>\$41,015</b>	<b>\$25,014</b>	<b>\$66,029</b>

**Interest Rate Risk:** Interest rate risk is the risk that changes in the interest rates of debt instruments that adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. It does have a policy whereby the City cannot invest in securities maturing more than five (5) years from date of purchase. The chart below exemplified the City's investment portfolio and maturity data.

**Investment Portfolio and Maturity  
As of December 31, 2020**

	Book Value	Fair Market Value	Fair Value Investment Maturity (Year)					Weighted Avg. Maturity in Years	Portfolio Allocation
			Year 1	Year 2	Year 3	Year 4	Year 5		
Supranational Agency	5,730,386	6,047,945	2,859,600		3,188,346			2.05	8.51%
Municipal Bonds	2,959,220	3,056,690	1,009,250	2,047,440				1.67	4.30%
Corporate Bonds	2,478,248	2,534,149	1,000,649	1,533,500				2.13	3.57%
U.S. Agencies	11,873,916	12,207,073	4,990,135	3,058,885		4,158,054		2.27	17.18%
Local Government Investment Pool	47,198,985	47,198,985	47,198,985					1.00	66.44%
<b>Total investments</b>	<b>70,240,756</b>	<b>71,044,842</b>	<b>57,058,618</b>	<b>6,639,825</b>	<b>3,188,346</b>	<b>4,158,054</b>		<b>1.36</b>	<b>100%</b>

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment may not fulfill its obligations. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk:** Concentration of risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City diversifies its investments by security type and issuer. With the exception of US Treasury securities and authorized state pools, no more than 50% of the City's total investment portfolio will be invested in any one security issue. As of December 31, 2020, the City's concentration of investment portfolio is as follows:



## Investment List by Issuer:

Investment Type	Fair Market Value	% of Investment Portfolio	Credit Rating
Corporate Bonds:			
Wells Fargo Bank Notes	1,000,649	1.41%	Aa2/A+
Microsoft	1,533,500	2.16%	Aaa/AAA
<b>Total Corporate Bonds</b>	<b>2,534,149</b>	<b>3.57%</b>	
Municipal Bonds:			
Washing St GO Bonds	1,009,250	1.42%	Aa1/AA+
Connecticut St Txb1 - Ser A	2,047,440	2.88%	A+
<b>Total Municipal Bonds</b>	<b>3,056,690</b>	<b>4.30%</b>	
US Agency Securities			
FNMA GEN STRI	948,299	1.33%	AAA
FEDERAL HOME LOAN BANK	3,034,582	4.27%	NR
FFCB	4,111,380	5.79%	AAA
FANNIE MAE	2,042,558	2.88%	
FARMER MAC	2,070,254	2.91%	
<b>Total Agency Securities</b>	<b>12,207,073</b>	<b>17.18%</b>	
Supranational Agency:			
European Bk Recon & Dev	2,859,600	4.03%	Aaa/AAA/AAA
Intl-American Dev Bk	1,046,646	1.47%	Aaa/AAA/AAA
Intl Fin. Corp.	1,067,180	1.50%	Aaa/AAA/AAA
Intl Bk Recon & Dev. (IBRD/World Bk)	1,074,520	1.51%	Aaa/AAA/AAA
<b>Total Supranational Agency Securities</b>	<b>6,047,945</b>	<b>8.51%</b>	
<b>Local Government Investment Pool</b>	<b>47,198,985</b>	<b>66.44%</b>	
<b>GRAND TOTAL</b>	<b>71,044,842</b>	<b>100.00%</b>	

## NOTE 4

### PROPERTY TAXES

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1 on property values listed as of the prior May 31. Assessed values are established by the county assessor at 100% of fair market value. A revaluation of all property is required every four years.

Taxes are due in two equal installments on April 30 and October 31. Tax liens are automatic at the point the taxes are levied. No allowance for uncollectible taxes is established, since delinquent taxes are considered fully collectible. The county treasurer remits collections monthly to the appropriate district.

The City is permitted by law to levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services, minus a library rate of \$0.50. This amount may be reduced for any of the following three reasons:

- 1) Washington State law (RCW 84.55.010) limits the growth of regular property taxes to 1% per year, after adjustments for new construction. If the assessed valuation increases by more than 1% due to revaluation, the levy rate will be decreased.
- 2) The Washington State Constitution limits total regular property taxes to 1% of assessed valuation, or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1% limit.
- 3) The City may voluntarily levy taxes below the legal limit.

Special levies approved by the voters are not subject to the above limitations.

In 2020, the City's levy rate was \$1.96 per \$1,000, which included a \$0.40 per \$1,000 for Safe Streets and Sidewalks levy, \$0.41 per \$1.00 for Public Safety levy and \$0.13 for Public Safety bond. Bothell's total assessed valuation was \$12,385,900,325.

2020 Assessed Valuation	
Snohomish County	\$5,228,696,561
King County	7,157,203,764
<b>Total</b>	<b>\$12,385,900,325</b>

Property Tax Calendar	
<b>January 01</b>	Taxes are levied and become an enforceable lien against properties.
<b>February 14</b>	Tax bills are mailed.
<b>April 30</b>	First of two equal installment payments is due.
<b>May 31</b>	Assessed value of property established for next year's levy at 100% of market value.
<b>October 31</b>	Second installment is due.

## NOTE 5

### DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Deferred Outflows of Resources at December 31, 2020 are as follows:

#### Deferred Inflows and Outflows of Resources

Description	Governmental Activities	Business-Type Activities
<b>Deferred Outflows of Resources - Government-Wide Statement of Net Position</b>		
Pension	\$4,581,135	\$325,667
Other Postemployment Benefits (OPEB)	64,495	
<b>Total</b>	<b>\$4,645,630</b>	<b>\$325,667</b>
<b>Deferred Inflows of Resources - Government-wide Statement of Net Position</b>		
Pension	\$3,775,864	\$321,100
Advanced Grant	275	12,909
<b>Total</b>	<b>\$3,776,139</b>	<b>\$334,009</b>

Deferred inflows of resources in the governmental funds balance sheet were recognized as revenue sources except for advanced grants, as consolidating into government-wide statements based upon accrual basis of accounting.

#### Deferred Inflows and Outflows of Resources

Description	Governmental Funds
<b>Deferred Inflows of Resources - Governmental Funds Balance Sheet</b>	
Court services	\$240,558
Deferred EMS services	238,684
Deferred property tax	289,698
Deferred revenue-impact fees	19,533
Advanced grant	275
<b>Total</b>	<b>\$788,748</b>

NOTE 6

CAPITAL ASSETS AND DEPRECIATION

GENERAL POLICIES

Major expenditures for property including land, buildings, or equipment having an initial value of more than \$5,000 are capitalized. Assets may be acquired through donation, annexation, gift, purchase, capital lease, or self-construction work in progress with a life expectancy of more than one year.

All capital assets are valued at historical cost, or estimated cost where historical cost is not known, or acquisition value for donated assets, or the lower of cost or fair market value when transferred between proprietary and governmental funds.

The City has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, the City has sufficient legal interest to accomplish the purposes for which the assets were acquired, and has included such assets within the applicable statements.

GOVERNMENTAL CAPITAL ASSETS

Governmental long-lived assets of the City (purchased, leased, or constructed) are recorded as expenditures in the governmental funds and are capitalized, net of depreciation, in the government-wide statements. This includes current year purchases of governmental infrastructure assets.

During the 2019 audit, the City identified a miscalculation in the depreciation expense for a bridge between fiscal years 2007 and 2010. This resulted in an overstatement of accumulated depreciation, and an understatement of book value by \$6,121,043. The City corrected the error in 2020, which is shown as a prior period adjustment in the Statement of Activities and described in Note 22.

PROPRIETARY FUND CAPITAL ASSETS

Capital assets of proprietary funds are capitalized in their respective statement of net position.

DEPRECIATION

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

- |                           |             |                  |             |
|---------------------------|-------------|------------------|-------------|
| ■ Building and structures | 30-50 years | ■ Vehicles       | 5-20 years  |
| ■ Other improvements      | 20-60 years | ■ Infrastructure | 20-50 years |
| ■ Machinery and equipment | 5-20 years  |                  |             |

Depreciation expense was charged to government and business-type activities as follows:

**Depreciation expense was charged to government and business-type activities as follows:**

<b>Government Activities</b>	<b>Amount</b>
General government	2,104,921
Security of persons & property	845,636
Transportation	38,514,357
Physical environment	2,248,325
Culture & recreation	587,624
<b>Total Governmental Activities Depreciation Expense</b>	<b>44,300,863</b>
<b>Business-Type Activities</b>	<b>Amount</b>
Water	851,200
Sewer	612,384
Storm & Surface Water	1,310,411
<b>Total Business-Type Activities Depreciation Expense</b>	<b>2,773,994</b>

In 2020, the City completed major projects and capital acquisitions which increased capital assets over \$5 million. The capitalization is as follows:

**Major Projects:**

<b>19th Ave NE &amp; 232nd St SE Pedestrian &amp; Bicycle Improvements</b>	
Governmental Fund	\$3,099,890
<b>Total 19th Ave NE &amp; 232nd St SE Pedestrian &amp; Bicycle Improvements</b>	<b>\$3,099,890</b>
<b>7th Ave SE &amp; 88th Ave NE Non-Motorized Sidewalk Improvements</b>	
Governmental Fund	\$822,102
<b>Total 7th Ave SE &amp; 88th Ave NE Non-Motorized Sidewalk Improvements</b>	<b>\$822,102</b>
<b>Downtown Revitalization Utility Improvements</b>	
Water Fund	\$200,381
<b>Total Downtown Revitalization Utility Improvements</b>	<b>\$200,381</b>
<b>Sewer Main Project</b>	
Sewer Fund	\$997,945
<b>Total Sewer Main Project</b>	<b>\$997,945</b>
<b>Total Governmental and Enterprise Capital Costs</b>	<b>\$5,120,318</b>

## Construction Commitments as of December 31, 2020

Government Activities	Construction in Progress	Remaining Commitment
1st Lt Nicholas Memorial Park	\$193,936	\$8,320
7th Ave SE/88th Ave NE Non-Motorized Imp		38,000
19th Ave NE & 232nd St SE Ped & Bike Imp	(1,646)	65,144
102nd Ave NE Downtown Access Imp	16,765	
130th Pl NE & 132nd Ave NE Sidewalk	199	
228th St SE Pavement Preservation		
228th St SE Widening (from 35th to 39th)	71,713	53,630
Adaptive Signal Control Phase 1	26,780	
Adaptive Signal Control Phase 2	6,447	
Annual Arterial Overlay Program	115,349	488,214
Beardslee Widening Campus to I405	12,379	
Bicycle Program	39,612	9,248
Blyth Park Improvements	66,825	
Bothell Way Widening	97,797	
Bridge Rehab & Seismic retrofit		79,111
Canyon Park Subarea Update	96,573	11,247
Citywide Child Ped School & Park Zone Safety	10,992	
Collector Corridor Traffic Program	638	
Crosswalk Program		
Downtown Soil/Ground Cleanup	9,399,505	1,660,555
East Norway Hill Improvements	44,274	394
Fire Station 42 - Downtown	1,505,984	16,899,588
Fire Station 45 - Canyon Park	1,156,954	16,899,588
Horse Creek Plaza	196,817	85,349
Joint Fire Services		
Juanita-Woodinville Way/NE 160th Overlay	45,160	
Main Street Extension	270,035	
Meridian Ave S & 240th St SE Roundabout	1,003	
NE 185th Improvements	233,606	
NE 188th St Non-Motorized Imp	2,192,025	627,322
North Creek Field 3	74,950	
North Creek Trail Section 4	731,503	86,795
Park at Bothell Landing	143,117	
Park at Bothell Landing Bridge Replacement	2,395,768	281,642
Park Master Planning	32,687	
Pop Keeney Road	225,449	
Safety Upgrade & Replacement Program	9,750	
Sammamish River Bridge Retrofit	758,757	149,268
Sidewalk/Walkway Program	17,532	
SR 522 Stage 2B Improvements	102,672	
SR 522 Stage 3 Improvements Phase 1	20,388,845	7,352,009
Stream Rockery Repair		12,305
<b>Total Governmental Activities</b>	<b>\$40,680,751</b>	<b>\$44,807,729</b>

Business-Type Activities	Construction in Progress	Remaining Commitment
Bloomberg Reservoir Painting	\$13,131	
Downtown Revitalization Utility - Water		
Morningside Booster Station Retrofit	111,459	
Water Main Replacement	480,897	
Sewer Main Replacement Program	50,775	64,224
Lift Station #1	7,223	6,377
Lift Station #4	96,686	11,947
236th St & 35th Ave Culvert Replace	43,848	
Annual Stormwater Capital Projects	300,145	
Blyth Creek Erosion Control	206,012	108,588
Downtown Revitalization Utility - Storm		15,001
Monte Villa Drainage Improvements	304,985	119,694
Parr Creek Flood Mitigation	474,817	16,941
Perry Creek & 228th St SE Culverts	310,296	7,597
Sammamish River & Waynita Creek Restoration	30,178	
<b>Total Business-Type Activities</b>	<b>\$2,430,453</b>	<b>\$350,371</b>

In 2020, the changes in the City's capitalization are summarized below.

**Summary of Changes to Capital Assets**

Description	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land and improvements	\$71,978,308	\$566,819		\$72,545,127
Infrastructure right-of-way	81,888,608	322,771		82,211,379
Construction in progress	23,252,205	17,513,220	84,674	40,680,751
<b>Total capital not being depreciated</b>	<b>\$177,119,121</b>	<b>\$18,402,810</b>	<b>\$84,674</b>	<b>\$195,437,257</b>
<b>Other capital assets:</b>				
Buildings	\$18,167,089	\$55,099		\$18,222,188
Capital lease - City Hall	51,475,433			51,475,433
Improvements	89,861,305	2,365,004	4,101,065	88,125,244
Infrastructure	1,609,336,628	2,249,976	13,394,024	1,598,192,580
Intangible Asset	4,700,000			4,700,000
Work of art	140,936			140,936
Vehicles	10,340,138	391,515	257,906	10,473,747
Equipment	4,349,382	163,158	405,931	4,106,609
<b>Total other capital assets at historical cost</b>	<b>\$1,788,370,910</b>	<b>\$5,224,752</b>	<b>\$18,158,925</b>	<b>\$1,775,436,737</b>
<b>Less accumulated depreciation for:</b>				
Buildings	\$6,079,706	\$365,115		\$6,444,822
Capital lease - City Hall	4,632,789	1,029,509		5,662,298
Improvements	41,042,623	4,207,447	2,448,052	42,802,018
Infrastructure	1,244,849,906	37,154,146	19,511,416	1,262,492,637
Intangible Asset	1,410,000	313,333		1,723,333
Work of art	19,417	5,847		25,264
Vehicles	6,207,377	920,752	223,960	6,904,169
Machinery & equipment	2,651,086	304,713	147,684	2,808,115
<b>Total accumulated depreciation</b>	<b>\$1,306,892,904</b>	<b>\$44,300,863</b>	<b>\$22,331,111</b>	<b>\$1,328,862,656</b>
<b>Governmental activities capital assets, net</b>	<b>\$658,597,128</b>	<b>(\$20,673,302)</b>	<b>(\$4,087,512)</b>	<b>\$642,011,338</b>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$2,133,946	\$2,485,108	\$2,188,600	\$2,430,453
Infrastructure right-of-way	1,935,868			1,935,868
Land and improvements	285,302			285,302
<b>Total capital not being depreciated</b>	<b>\$4,355,115</b>	<b>\$2,485,108</b>	<b>\$2,188,600</b>	<b>\$4,651,623</b>
<b>Other capital assets:</b>				
Buildings	\$8,546,512			\$8,546,512
Intangible plant	411,179			411,179
Improvements	79,316,436	2,113,102		81,429,538
Vehicles	311,834			311,834
Machinery & equipment	2,099,404	48,584		2,147,988
<b>Total other capital assets at historical cost</b>	<b>\$90,685,365</b>	<b>\$2,161,686</b>		<b>\$92,847,050</b>
<b>Less accumulated depreciation for:</b>				
Buildings	\$1,650,687	\$171,000		\$1,821,687
Intangible plant	411,179			411,179
Improvements	29,389,601	2,430,165		31,819,766
Vehicles	223,368	8,481		231,849
Machinery & equipment	1,037,784	164,349		1,202,133
<b>Total accumulated depreciation</b>	<b>\$32,712,619</b>	<b>\$2,773,994</b>		<b>\$35,486,613</b>
<b>Business-type activities capital assets, net</b>	<b>\$62,327,861</b>	<b>\$1,872,799</b>	<b>\$2,188,600</b>	<b>\$62,012,060</b>

## NOTE 7

### PENSION PLANS

The following table represents the aggregate pension amounts for all State sponsored plans for the year 2020:

#### Aggregate Pension Amounts – All Plans

Pension liabilities	(\$6,682,463)
Pension assets	\$9,569,760
Deferred outflows of resources	\$4,906,802
Deferred inflows of resources	(\$4,096,964)
Pension expense/expenditures	\$846,477

#### State Sponsored Pension Plans

Substantially, the City's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

**Department of Retirement Systems Communications Unit**  
**P.O. Box 48380**  
**Olympia, WA 98540-8380**

The DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov/](http://www.drs.wa.gov/).

#### Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.



**PERS Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

### Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan1 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

#### PERS Plan 1

Actual Contribution Rates	Employer	Employee*
January - August 2020:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.86%</b>	<b>6.00%</b>
September - December 2020:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.97%</b>	<b>6.00%</b>

\*For employees participating in JBM, the contribution rate was 12.26%

**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest- paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other

PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

### Contributions

The PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates.

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

#### PERS Plan 2/3

Actual Contribution Rates	Employer 2/3	Employee 2*
January - August 2020:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
<b>Total</b>	<b>12.86%</b>	<b>7.90%</b>
September - December 2020:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
<b>Total</b>	<b>12.97%</b>	<b>7.90%</b>

\*For employees participating in JBM, the contribution rate was 18.53% to 19.75%.

The City's actual contributions were \$903,269 to PERS Plan 1 and \$1,458,690 to PERS Plan 2/3 for the year ended December 31, 2020.

**Public Safety Employees' Retirement System (PSERS)**

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, an employee must work on a full-time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

**PSERS membership includes:**

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30 2006; and
- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

**PSERS covered employers include:**

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol),
- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on year of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

### Contributions

The PSERS Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2020 were as follows:

#### PSERS Plan 2

Actual Contribution Rates	Employer 2/3	Employee 2*
January - August 2020:		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.14%</b>	<b>7.20%</b>
September - December 2020:		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
<b>Total</b>	<b>12.25%</b>	<b>7.20%</b>

The City's actual contributions were \$16,760 to PSERS Plan 2 and \$11,158 to PERS Plan 1 for the year ended December 31, 2020.

### Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

**LEOFF Plan 1** provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement

with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

### Contributions

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2020. Employers paid only the administrative expense of 0.18 percent of covered payroll.

**LEOFF Plan 2** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

### Contributions

The LEOFF Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

#### LEOFF Plan 2

Actual Contribution Rates	Employer	Employee
January - December 2020:		
State and Local Governments	5.15%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.33%</b>	<b>8.59%</b>

The City's actual contributions to the plan were \$868,940 for the year ended December 31, 2020.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2020, the state contributed

\$76,297,643 to LEOFF Plan 2. The amount recognized by the City as its proportionated share of this amount is \$546,693.

### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Experience Study and 2019 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019 to June 30, 2020, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation:

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at [leg.wa.gov/osa](http://leg.wa.gov/osa).
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025.

[See leg.wa.gov/osa](http://leg.wa.gov/osa) for more information on this method change

### Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

### Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

### Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
<b>Total</b>	<b>100%</b>	

**Sensitivity of the Net Pension Liability / (Asset)**

The table below presents the City proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the City proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

<b>Pension Plan</b>	<b>1% Decrease (6.4%)</b>	<b>Discount Rate (7.4%)</b>	<b>1% Increase (8.4%)</b>
PERS 1	\$5,730,378	\$4,574,944	\$3,567,287
PERS 2/3	13,113,548	2,107,519	(6,955,952)
PSERS 2	66,670	(6,124)	(63,737)
LEOFF 1	(527,642)	(648,250)	(752,595)
LEOFF 2	(176,498)	(8,915,386)	(16,070,792)

**Pension Plan Fiduciary Net Position**

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2020, the City reported a total pension liability of \$6,682,463 for its proportionate share of the net pension liabilities and a total pension asset of \$9,569,760 for its proportionate share of the net pension assets as follows:

<b>Pension Plan</b>	<b>Liability (or Asset)</b>
PERS 1	\$4,574,944
PERS 2/3	2,107,519
PSERS 2	(6,124)
LEOFF 1	(648,250)
LEOFF 2	(8,915,386)

The amount of the liability / (asset) reported above for LEOFF Plan 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability/(asset), the related State support, and the total portion of the net pension liability/(asset) that was associated with the City were as follows:

<b>Pension Plan</b>	<b>LEOFF 1 Asset</b>	<b>LEOFF 2 Asset</b>
Employer's proportionate share	(648,250)	(8,915,386)
State's proportionate share of the net pension asset associated with the employer	(4,384,744)	(5,700,714)
<b>Total</b>	<b>(\$5,032,994)</b>	<b>(\$14,616,100)</b>



At June 30, 2020, the City's proportionate share of the collective net pension liabilities was as follows:

Pension Plan	Proportionate Share 6/30/2019	Proportionate Share 6/30/2020	Change in Proportion
PERS 1	0.129911%	0.129582%	0.000329%
PERS 2/3	0.164374%	0.164786%	-0.000412%
PSERS 2	0.043737%	0.044507%	-0.000770%
LEOFF 1	0.035125%	0.034326%	0.000799%
LEOFF 2	0.457065%	0.437060%	0.020005%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Non-employer Allocations for all plans except LEOFF 1.

**LEOFF Plan 1** allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, the State of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2020, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

### Pension Expense

For the year ended December 31, 2020, the City recognized pension expense as follows:

Pension Plan	Pension Expense
PERS 1	\$203,519
PERS 2/3	267,936
PSERS 2	13,781
LEOFF 1	(19,161)
LEOFF 2	380,401
<b>Total</b>	<b>\$846,477</b>

## Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PERS 1</b>		
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		(\$25,472)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	437,737	
<b>Total</b>	<b>\$437,737</b>	<b>(\$25,472)</b>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PERS 2/3</b>		
Differences between expected and actual experience	\$754,461	(\$264,122)
Net difference between projected and actual investment earnings on pension plan investments		(107,032)
Changes of assumptions	30,017	(1,439,618)
Changes in proportion and differences between contributions and proportionate share of contributions	457,623	(120,767)
Contributions subsequent to the measurement date	701,838	
<b>Total</b>	<b>\$1,943,939</b>	<b>(\$1,931,539)</b>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>PSERS 2</b>		
Differences between expected and actual experience	\$8,414	(458)
Net difference between projected and actual investment earnings on pension plan investments	327	
Changes of assumptions	31	(11,577)
Changes in proportion share	743	(1,684)
Contributions subsequent to the measurement date	7,392	
<b>Total</b>	<b>\$16,907</b>	<b>(\$13,719)</b>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>LEOFF 1</b>		
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments		(6,781)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
<b>Total</b>	<b>\$0</b>	<b>(\$6,781)</b>

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,233,591	(158,122)
Net difference between projected and actual investment earnings on pension plan investments		(99,369)
Changes of assumptions	12,916	(1,380,497)
Changes in proportion and differences between contributions and proportionate share of contributions	812,368	(481,465)
Contributions subsequent to the measurement date	449,344	
<b>Total</b>	<b>\$2,508,219</b>	<b>(\$2,119,453)</b>

Total of All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,996,467	(\$422,702)
Net difference between projected and actual investment earnings on pension plan investments	327	(238,654)
Changes of assumptions	42,965	(2,831,692)
Changes in proportion and differences between contributions and proportionate share of contributions	1,270,734	(603,916)
Contributions subsequent to the measurement date	1,596,311	
<b>Total</b>	<b>\$4,906,802</b>	<b>(\$4,096,964)</b>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	PERS 1	PERS 2/3	PSERS 2	LEOFF 1	LEOFF 2	Total
2021	(\$115,590)	(\$808,669)	(\$1,706)	(\$24,205)	(\$623,672)	(\$1,573,842)
2020	(3,636)	(143,209)	(485)	(1,262)	(57,268)	(\$205,860)
2023	35,270	103,283	356	6,881	162,894	\$308,684
2024	58,484	281,001	1,285	11,805	329,237	\$681,813
2025		(32,055)	(604)		(28,980)	(\$61,639)
Thereafter		(89,789)	(3,050)		157,210	\$64,372
<b>Total</b>	<b>(\$25,472)</b>	<b>(\$689,438)</b>	<b>(\$4,203)</b>	<b>(\$6,781)</b>	<b>(\$60,579)</b>	<b>(\$786,472)</b>

**Fire Fighter's Pension Fund**

The Fire Fighter's Pension is a closed single-employer defined benefit pension plan system operated by the City in accordance with Revised Code of Washington Chapter 41.18. Membership is limited to firefighters employed prior to March 1, 1970 when the LEOFF retirement system was established. The City's obligation under the system is composed of excess benefits over LEOFF for fire fighters retired after March 1, 1970, who are members of the system. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. There are three inactive plan members currently receiving benefits, and there are no active plan members.

Under State law, the Plan is provided an allocation of 25% of all moneys received by the State from taxes on fire insurance premiums, interest earnings, member contributions made prior to the inception of LEOFF, and the City contributions required to meet projected future pension obligations. In 2020, the fire insurance premium receipts amounted to \$72,088, which was sufficient to cover the 2020 expenses of \$63,493. Beginning in 2020 the financial activity of the Firefighters' Pension Plan is reported in the City's general fund in governmental statements, as a result of GASB Statement No. 73 and No 84 (Refer Note 22). The City administers the pension plan, but it is funded 100% by a percentage of the tax on fire insurance premiums received annually from the state. Future fire insurance premium tax revenues are assumed to increase at the rate of 2.5% per year.

The amount of a member's benefit is based upon the rank of the firefighter at the time of retirement and amounts to 50% of salary plus an additional 2% for each year of service in excess of 25 years, to a maximum benefit of 60% of salary. An annual post-retirement increase is determined based upon two factors: (1) escalation by salary in proportion to the current salary of rank from which the firefighter retired (RCW 41.18.040), and (2) increase proportionate to the annual increase in the Seattle-area CPI and regardless of the increase (or decrease) in the CPI, the benefits are increased at least 2% each year (RCW 41.18.104).

Due to the number of participants and their age, the City did not use an actuary for the purpose of determining net pension liability of the Plan, but instead performed a non-standard study. The study assumed post-retirement benefit salary increase of 3.0% and mortality rates using the 2016 Social Security Life Table. As of December 31, 2020, the City had a net pension liability of \$43,061 as shown below which is included in the net pension liability of \$6,381,788 for governmental activities. It is the City's opinion that it will be able to meet any future funding requirements.

**Firefighter Pension Trust (LEOFF)****As of 12/31/2020**

<b>Name</b>	<b>Age at 12/31/20</b>	<b>Life Expectancy 2016 Social Security Life Table</b>	<b>City's Portion Annual Payments</b>	<b>Annual Increase Rate</b>	<b>Total Payments At Expectancy</b>	<b>Total Payments Present Value</b>	<b>Current Assets</b>	<b>Net Pension Asset (Liabilities)</b>
Retiree A	75	11.14	\$22,028	2.5%	(\$278,992)	(\$211,898)		
Retiree B	97	2.49	24,704	2.5%	(62,664)	(58,927)		
Retiree C	77	9.94	15,046	2.5%	(167,423)	(130,985)		
<b>Total</b>			<b>\$61,778</b>		<b>(\$509,079)</b>	<b>(\$401,810)</b>	<b>\$358,749</b>	<b>(\$43,061)</b>

## NOTE 8

### OTHER EMPLOYEE BENEFITS

#### COMPENSATED ABSENCES

The City has vacation and sick leave policies. Vacation pay may accumulate up to 240 hours at December 31. It is payable upon resignation, retirement, or death. Sick leave may accumulate up to 960 hours, or as provided by contract. Sick leave does not vest until retirement. Liquidation of the liability for compensated absences in prior years has been used by the General Fund and enterprise funds.

<b>Government Activities</b>	<b>1/1/20</b>	<b>Increases</b>	<b>Decreases</b>	<b>12/31/20</b>
Governmental funds	2,942,892	2,233,448	1,894,744	3,281,596
<b>Total Compensated Absences</b>	<b>\$2,942,892</b>	<b>\$2,233,448</b>	<b>\$1,894,744</b>	<b>\$3,281,596</b>

<b>Business-Type Activities</b>	<b>1/1/20</b>	<b>Increases</b>	<b>Decreases</b>	<b>12/31/20</b>
Enterprise funds	190,028	218,710	168,947	239,790
<b>Total Compensated Absences</b>	<b>\$190,028</b>	<b>\$218,710</b>	<b>\$168,947</b>	<b>\$239,790</b>

#### DEFERRED COMPENSATION

The City offers its employees two deferred compensation plans, created in accordance with the Internal Revenue Code Section 457.

The International City Manager's Association (ICMA) plan is available to all eligible employees. The Nationwide Retirement Solutions plan is available to all eligible International Association of Firefighters (IAFF).

These plans allow participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or in the event of an unforeseeable emergency.

The City contributes a 3% match to the Police Officer's Guild and Police Captain's Union, a 2% match to the Washington State Council of County and City Employees AFSCME Union, and a matched contribution to Non-Represented employees based on a schedule of completed years of service. In 2020, the City's contributions totaled \$459,132, and employee contributions totaled \$1,886,543.

**NOTE 9****POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

In 2020, the City continued to comply GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for the second year. This statement replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

**Plan Description**

The City provides post-retirement health care benefits for members of the Law Enforcement Officers and Firefighters (LEOFF) retirement system hired before October 1, 1977, under a single-employer defined benefit healthcare plan administered by the City, as required by the Revised Code of Washington (RCW Chapter 41.26).

Most medical coverage for eligible retirees is provided by one of the City's medical insurance programs (AWC Benefits Trust and Northwest Firefighters Benefits Trust). Life insurance is provided by Unum Life Insurance. Under the authorization of the LEOFF Disability Board, reimbursements are made for other retiree medical expenses not covered by standard medical plan benefit provisions.

**Membership**

As of December 31, 2020, there were 15 LEOFF I retirees receiving these benefits. This is considered a closed group with no new eligible members.

Inactive employees or beneficiaries currently receiving benefits	15
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
<b>Total</b>	<b>15</b>

**Funding Policy**

Funding for LEOFF I retiree healthcare costs is provided entirely by the City as required by RCW. The City's funding policy is based upon pay-as-you-go financing requirements. It is not administered through a qualifying trust, and therefore, no assets are accumulated. An internal service fund (Self-Insurance) accounts for the contributions and payments related to OPEB.

In 2020, the amount of benefit payment related to the participating retirees totaled \$128,370.

In implementing GASB Statement No. 75, the following changes since the prior valuation were implemented:

The City employed the Alternative Measurement Method (AMM) developed by the Office of the State Actuary (OSA) to measure the total OPEB liability. The AMM Tool was designed for local government entities in Washington State and covered members must be active in or retired from LEOFF 1. Employers must have less than 100 total LEOFF 1 members. The federal Patient Protection and Affordable Care Act levies a 40% excise tax on employers for the value of health plan costs that exceed certain thresholds. The excise tax impacts the medical inflation trend for these plans. The AWC actuarial study projects reaching the excise tax threshold in 2028. Under AMM, only the OPEB liability is calculated. There are no deferred outflows and inflows other than the deferred outflow for payments subsequent to the measurement date. The following table represents the OPEB amounts subject to the requirements of GASB Statement 75 for the year 2020:

The total OPEB liabilities are allocated between current and non-current liabilities in the Statement of Net Position of the basic financial statements. The amount of \$188,147, expected to be due within one year, is a current liability.

#### OPEB Amounts – Single Plan

Total OPEB liabilities	\$7,054,694
Deferred outflows of resources	64,495
OPEB expense/expenditures	1,090,083

#### Actuarial Methods and Assumptions

##### Specific assumptions using the AMM Tool:

- Assumed any remaining active members will retire immediately following the measurement date. This assumption considered that over 99 percent of LEOFF 1 members are already retired and the remaining members are eligible to retire. This approach assumes that all liabilities are fully earned and the Service Cost equals zero. In other words, the Entry Age Normal Total OPEB Liability is by definition equal to the Present Value of Future Benefits, and therefore, there is no need to make an assumption with respect to Projected Salary Changes.
- Each cohort is assumed to be 100 percent male. As of the measurement date, over 98 percent of the eligible LEOFF 1 population is male. This assumption will be monitored in future versions of the AMM Tool.
- Selected four age-based cohorts for the AMM Tool based upon the overall distribution of the LEOFF 1 eligible population.
- Medical and long-term care costs were projected from June 30, 2018 to the measurement date of June 30, 2020 using the healthcare trend rates detailed in the 2018 LEOFF 1 Medical Benefits Actuarial Valuation Report.

##### Methodology

Actuarial Valuation Date	6/30/20
Actuarial Measurement Date	6/30/20
Actuarial Cost Method	Entry Age
Amortization Method	Recognized Immediately
Asset Valuation Method	N/A

##### Assumptions

<i>Discount Rate</i>	
Beginning of Measurement Year	3.50%
End of Measurement Year	2.21%
<i>Inflation (Based on the CPI: Urban Wage Earners &amp; Clerical Workers, Seattle-Tacoma-Bremerton, WA - All Items.)</i>	
	2.75%
<i>Healthcare Trend Rates:</i>	
Medical Cost	Initial rate is about 6% trends down to about 5% in 2020's
Long-Term Care	4.50%
Medicare Part B Premiums	Approximately 5%, varies by year.
<i>Mortality Rates (assume 100% male population)</i>	
Bsdr Mortality Table	PP-2000 Mortality Table +1 year Healthy/-2 years Disabled Blended 50%/50% Healthy/Disabled 100% Scale BB Generational
Age Setback	
Mortality Improvements	
Projection Period	
Medicare Participation Rate	100%

Changes of assumptions

For OPEB plans without trust, GASB 75 requires the discount rate to be based on a yield for 20-year tax-exempt, high-quality municipal bond rate with an average rating of AA/Aa or higher. This resulted in a 3.5 percent discount rate as of June 30, 2019 and 2.21 percent measured June 30, 2020.

Sensitivity of the total OPEB liability to changes in the discount rate and healthcare trend

The following table represents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1- percentage-point higher than the current discount rate.

Sensitivity Analysis			
Total OPEB Liability	1% Decrease (1.21%)	Current Rate (2.21%)	1% Increase (3.21%)
Discount Rate	\$7,847,778	\$7,054,694	\$6,379,100

The following table represents the total OPEB liability of the City for healthcare is based upon assumptions in the 2018 LEOFF 1 Medical Benefits Actuarial Valuation Report.

Sensitivity Analysis			
Total OPEB Liability	1% Decrease	Current Rate	1% Increase
Healthcare Trend	\$6,414,808	\$7,054,694	\$7,787,129



**Change in the Total OPEB Liability**

Plan Name	A Single-Employer Defined Benefit - No Qualifying Trust
<b>Total OPEB liability - beginning</b>	6,092,981.00
Interest	207,533.00
Differences between expected and actual experience	1,083,944.00
Benefit payments	(329,764.00)
<b>Total OPEB liability - ending</b>	<u>7,054,694.00</u>

**Net adjustment to OPEB Expense at 12/31/2020**

Beginning OPEB liability (GASB 75)	(6,092,981)
Deferred outflows - reverse 2019 subsequent to the measurement date 7/1/19-12/31/19	76,335
Total OPEB liability at 6/30/2020	7,054,694
Deferred outflows - 2020 subsequent to the measurement date 7/1/20-12/31/20	(64,495)
Net adjustment to OPEB expense at 12/31/2020	<u>973,553</u>

**OPEB Expense for Fiscal Year Ending**

Net adjustment to OPEB expense at 12/31/2020	973,553
Deferred outflows - reverse 2019 subsequent to the measurement date 7/1/19-12/31/19	(76,335)
Deferred outflows - 2020 subsequent to the measurement date 7/1/20-12/31/20	64,495
Benefit payments for year 2020	128,370
OPEB expense	<u>1,090,083</u>

At December 31, 2020, the City reported deferred outflows of resources related to OPEB from the following source:

**Deferred Outflows of Resources**

Payments subsequent to the measurement date	\$64,495
<b>Total</b>	<b>\$64,495</b>

The deferred outflows of resources amount of \$64,495 will be recognized as an expense in the period ending December 31, 2021.

## NOTE 10

### CONTINGENCIES

In the government-wide statements, arbitrage earnings liability is accrued as it is earned, and is expensed at year-end. In 2020, the City had no arbitrage excess earnings liability.

#### Litigation

The City presented (in its financial statements) all material liabilities, including an estimate for any unresolved situations where (based on available information) management believes it is probable that the City will incur the expense. In the opinion of management, the City's insurance policies and/or self-insurance reserves are adequate to pay all known or pending claims.

#### Contingencies under Grant Provisions

The City participates in a number of federal and state assisted programs. These grants are subject to audit by the grantors of their representatives. Such audits could inherently result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management does not anticipate any such allowances, but should a disallowance occur management believes a reimbursement would will be immaterial.

#### Bond Indentures

The City is in compliance with all significant bond indentures and restrictions.

#### Rebate Arbitrage

Arbitrage occurs when the City invests funds borrowed at tax- exempt rates of interest in higher yielding taxable securities. These interest earnings in excess of interest expense must be remitted to the federal government. At the fund level, the City recognizes this liability (arbitrage earnings payable) only when it is due and payable.

## NOTE 11

### RISK MANAGEMENT

The City of Bothell is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 162 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually. Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits. In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

In the past 14 years insurance settlements have not exceeded insurance coverage.

## NOTE 12

### INTERFUND ACTIVITIES

Interfund Transfers are recorded transactions that support the operations of other funds and are classified as "other financing sources or uses" in the fund statements. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

#### Transfers are used to:

- 1) Move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due.

- 1) Move restricted debt proceeds to the Debt Service Fund to establish mandatory reserve accounts.
- 2) Move unrestricted General Fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Interfund Services are services provided by one fund to other and are considered as reciprocal interfund activities because payment is made for services received. The City records and reports these transactions as "charges for service revenues and expenditures" in the appropriate funds.

Interfund Loans provide a mechanism for one fund to borrow from another and must be approved by the legislative body. Reciprocal in activity, interfund loans are reported as interfund receivables by the lender fund and interfund payables by the borrower fund. Interfund loans are not treated as capital-related for purposes of classifying net position.

In 2020, the City did not authorize budgetary transfer between governmental activities and business activities.

#### Interfund Transfers

Description	General Fund	Street Fund	Arterial Street Fund	LIFT GO Bond Fund	2013 GO Bond Fund	Capital Improvements Fund	Self Insurance Fund	Asset Replacement Fund	Total Transferred Out
General Fund							128,370	436,512	564,882
Street Fund						1,526,672			1,526,672
Arterial Street Fund						2,666,504			2,666,504
Park Cumulative Reserve Fund						150,999			150,999
Public Safety Levy Fund						26,708			26,708
Capital Improvement Fund	50,000			996,250	697,864				1,744,114
Water Fund						81,121			81,121
Sewer Fund						77,117			77,117
Storm & Surface Water Fund						248,374			248,374
Equipment Rental Fund								1,082,774	1,082,774
<b>Total Transferred In</b>	<b>\$50,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$996,250</b>	<b>\$697,864</b>	<b>\$4,777,495</b>	<b>\$128,370</b>	<b>\$1,519,286</b>	<b>8,169,265</b>

## NOTE 13 LONG-TERM DEBT

### General Long-Term Debt

The City typically issues general obligation to finance land acquisitions and construction of major capital infrastructure projects.

General obligation bonds pledge the full faith and credit of the City. The City issues two types of general obligation bonds: limited tax general obligation (LTGO) bonds and unlimited tax general obligation (UTGO) bonds.

**2013 A (Taxable) & B Limited Tax GO Bonds**

In 2012 the Bothell City Council authorized a \$7,000,000 short-term Limited Tax General Obligation Bond Anticipation Note (2012 BAN) to pay the final balance owed to the Northshore School District for property purchased and to carry out public improvements related to the downtown revitalization. In 2013, Council authorized extension of the BAN maturity date through May 31, 2013. The BAN extension provided time for staff identify longer-term financing to accommodate the timetable necessary to sell surplus City properties. Staff determined that 20-year, bank qualified (BQ), General Obligation (GO) Bonds would provide the most advantageous financing option, given the current unprecedentedly low interest rates and the City's capital strategy. In June 2013, the City issued Limited Tax GO Bond without a vote 2013A (taxable) \$1,520,000, and GO Bond 2013B \$8,145,000 to retire the 2012 BAN. Bond 2013A was paid off in 2017. The 2013B's outstanding balance at the end of 2020 is \$6,940,000.

**2014 Limited Tax GO Bonds (LIFT) Bonds**

In 2006, the City was awarded LIFT funding for downtown revitalization. The program funding consists of future rebates of state property and sales taxes up to \$1,000,000 per year for a maximum of 25 years and is allocated by the Department of Revenue (DOR) based on the State's portion of tax collected from within the City's designated Revenue Development Area (RDA). These rebated tax monies are restricted for debt service associated with the LIFT Bond.

**2020 Unlimited Tax GO Bonds (Public Safety Bonds)**

In December 2019, the City issued 20-year voter-approved Unlimited Tax General Obligation Bonds of \$25 million including premium of \$2.5 million. The Bonds are for funding the costs of replacing two deteriorating fire stations by modern structures to meet increasing community needs. The construction of both fire stations is expected to begin in July 2021 and completed by 2023. In 2020, the City paid principal of \$740,000.

**2014 Lease Revenue Bonds**

In 2014, COB Properties (COB), a Washington nonprofit corporation, issued \$49,625,000 COB Properties Lease Revenue Bonds for the City of Bothell City Hall Project. The bonds were issued by COB on behalf of City of Bothell pursuant to IRS Revenue Ruling 63-20 and 82-26. The City leased land to COB for construction of the new City Hall and the COB leases the premises to the City. Proceeds of the bonds were used for construction of the City Hall and parking garage. Bond principal and interest payments are the responsibility of COB. Lease payments made by the City will pay debt service of the Bonds. COB is a single purpose entity and not a governmental unit. It has no taxing power and no source of funds to pay debt service on the bonds other than the lease payments from the City of Bothell.

**Public Works Trust Fund (PWTF) Construction Loan**

In 2011, the City was awarded an \$8,000,000 PC12-951-022 construction loan and is allocated to the Bothell Crossroads SR- 522 realignment construction project. This loan is considered the general government obligation and is being paid from Capital Improvement Fund with an annual principal payment of \$447,123.

**Public Works Trust Fund (PWTF) Construction Loan**

In 2012, the City was awarded an \$800,000 construction loan (PC13-961-060) with 20-year maturity for Horse Creek enhancement project. The City finalized the project in 2016. This loan is a revenue obligation of the Storm & Surface Water Fund. The City began spending down the monies in 2014 and annual principal payment is \$45,516.

**Public Works Assistance (PWA) Loan**

In 2017, the City was received a loan of \$125,000 from Snohomish County to fund installation of crosswalks with rectangular rapid flashing beacons within the City's various locations. The City will reimburse this loan by year 2027 with an annual principal payment \$12,970.

**Revenue Bonds**

In 2014, the City issued \$18,355,000 in revenue bonds to finance Water, Sewer and Storm & Surface Water utility projects. The bonds are payable from revenues generated by user fees. A cash reserve is maintained in an amount equal to the lesser of (i) maximum annual debt service, (ii) 125% of average annual debt service, or (iii) 10% of the original proceeds of the bonds. The outstanding balance at the end of 2020 was \$14,380,000.

**Debt Service requirements to maturity**

Capital Services Requirements Summary													
	GO Bond 2013 B		GO 2014 LIFT Bond		PWTF Loan		Public Safety Bonds		Snohomish County PWAF		CH Lease Revenue Bonds		
Year	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Totals
Governmental Activities													
2021	425,000	271,013	795,000	1,200,650	447,123	12,296	780,000	847,050	12,970	1,362	1,510,000	1,813,844	8,116,308
2022	440,000	258,263	835,000	1,163,875	447,123	11,178	820,000	808,050	12,970	1,167	1,590,000	1,737,594	8,125,219
2023	450,000	245,063	875,000	1,121,125	447,123	10,060	860,000	767,050	12,970	973	1,665,000	1,658,468	8,112,831
2024	470,000	227,063	920,000	1,076,250	447,123	8,942	905,000	724,050	12,970	778	1,750,000	1,575,427	8,117,603
2025	490,000	208,263	965,000	1,029,125	447,123	7,825	950,000	678,800	12,970	584	1,840,000	1,487,552	8,117,241
2026-2030	1,590,000	754,113	5,630,000	4,349,250	2,235,615	22,356	5,505,000	2,633,000	25,940	584	10,560,000	6,068,143	39,374,000
2031-2035	3,075,000	242,063	7,230,000	2,750,000	447,123	1,118	6,625,000	1,515,750			12,705,000	3,923,878	38,514,931
2036-2039			7,240,000	1,267,000			6,050,000	460,500			12,075,000	953,866	28,046,366
Subtotal	\$6,940,000	\$2,205,839	\$24,490,000	\$13,957,275	\$4,918,354	\$73,777	\$22,495,000	\$8,434,250	\$90,788	\$5,448	\$43,695,000	\$19,218,771	\$146,524,500

Year	2014 Revenue Bond		PWTF Loan		Totals
	Principal	Interest	Principal	Interest	
Business-Type Activities					
2021	780,000	531,719	45,516	1,365	1,358,600
2022	815,000	492,719	45,516	1,252	1,354,487
2023	855,000	451,969	45,516	1,138	1,353,623
2024	900,000	409,219	45,516	1,024	1,355,759
2025	945,000	364,219	45,516	910	1,355,645
2026-2030	5,260,000	1,293,169	227,581	2,845	6,783,594
2031-2034	4,825,000	415,531	91,032	341	5,331,905
Subtotal	\$14,380,000	\$3,958,546	\$546,193	\$8,874	\$18,893,613

<b>Total</b>					<b>\$165,418,113</b>
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## Debt Limit Capacities

State law dictates that City debt cannot be incurred in excess of the following taxable percentages: 1.5% without a vote of the people; 2.5% with a vote of 2.5% is for utilities; and 7.5% with a vote of the people provided the indebtedness in excess of 2.5% is for utilities, parks, or open space development. Debt limits were based on assessed property totaling \$12,385,900,325.

Debt Capacity as of January 1, 2021					
Regular levy assessed value less annexations		\$12,385,900,325			
Item	Without a Vote	With a Vote of the People			Total Capacity
	1.5%	1.0%	2.5%	2.5%	7.5%
Legal limit	\$185,788,505	\$123,859,003	\$309,647,508	\$309,647,508	\$928,942,524
Outstanding net debt	83,454,019	24,888,394			108,342,413
Margin available	<u>\$102,334,486</u>	<u>\$98,970,610</u>	<u>\$309,647,508</u>	<u>\$309,647,508</u>	<u>\$820,600,112</u>

Description	Beginning Balance 1/01/2020	Additions	Reductions	Ending Balance 12/31/2020	Due Within One Year
<b>Governmental Activities</b>					
GO 2013 B Bond	\$7,355,000		\$415,000	\$6,940,000	\$425,000
GO 2013 A&B Bond Premium	318,665		22,762	295,903	22,762
GO 2014 LIFT Bond	25,255,000		765,000	24,490,000	795,000
GO 2014 LIFT Bond Premium	1,624,193		85,484	1,538,709	85,484
GO Public Safety Bonds	23,235,000		740,000	22,495,000	780,000
GO Public Safety Bonds Premium	2,519,362		125,968	2,393,394	125,968
PWTF Loan PC12-951-022	5,365,477		447,123	4,918,354	447,123
Sno. County Safe School Crossing Loan	103,758		12,970	90,788	12,970
COB Lease Revenue Bonds	45,060,000		1,365,000	43,695,000	1,510,000
COB Lease Revenue Bonds Premium	1,563,437		78,172	1,485,265	78,172
OPEB/LEOFF	6,092,981	961,713		7,054,694	188,147
Compensated Absences	2,942,892	2,233,448	1,894,744	3,281,596	3,281,596
Pension	6,390,187	6,338,727	6,347,126	6,381,788	
Pollution Remediation	2,096,000		1,805,000	291,000	97,000
<b>Subtotal</b>	<b>\$129,921,951</b>	<b>\$9,533,888</b>	<b>\$14,104,349</b>	<b>\$125,351,490</b>	<b>\$7,849,221</b>
<b>Business-Type Activities</b>					
PWTF Loan PC 13-961-060	\$592,046		\$45,516	\$546,530	\$45,516
Combined Utility Revenue Bonds 2014	15,130,000		750,000	14,380,000	780,000
Combined Utility Revenue Bonds 2014 Premium	933,401		63,281	870,120	63,281
Pension	257,217	343,736	257,217	343,736	
Compensated Absences	190,028	218,710	168,947	239,790	239,790
<b>Subtotal</b>	<b>\$17,102,691</b>	<b>\$562,446</b>	<b>\$1,284,962</b>	<b>\$16,380,175</b>	<b>\$1,128,587</b>
<b>Total</b>	<b>\$147,024,643</b>	<b>\$10,096,334</b>	<b>\$15,389,310</b>	<b>\$141,731,666</b>	<b>\$8,977,808</b>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$37,766 of internal service fund's compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund and internal service funds respectfully and pollution remediation paid by capital project fund.

## Capital Related Long-Term Liability

Description	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Original Issue	Balance 1/1/2020	Issued	Redeemed	Balance 12/31/2020	Due Within One Year
<b>Governmental Activities</b>									
GO 2013 B Bond	6/25/13	12/1/33	3.0-4.5%	\$8,145,000	\$7,355,000		\$415,000	\$6,940,000	\$425,000
GO 2013 A&B Bond Premium	6/25/13	12/1/33	3.0-4.5%	455,236	318,665		22,762	295,903	22,762
GO 2014 LIFT Bond	1/3/14	3/1/39	2.0-5.0%	28,210,000	25,255,000		765,000	24,490,000	795,000
GO 2014 LIFT Bond Premium	1/3/14	3/1/39	2.0-5.0%	2,137,096	1,624,193		85,484	1,538,709	85,484
GO 2019 Public Safety Bonds	12/3/19	12/1/39	3.0-5.0%	23,235,000	23,235,000		740,000	22,495,000	780,000
GO 2019 Public Safety Bonds Premium	12/3/19	12/1/39	3.0-5.0%	2,519,362	2,519,362		125,968	2,393,394	125,968
PWTF Loan PC12-951-22	6/1/12	6/1/31	0.25%	8,000,000	5,365,477		447,123	4,918,354	447,123
COB City Hall Lease Revenue Bonds	7/1/14	12/31/39	3.6-5.0%	49,625,000	45,060,000		1,365,000	43,695,000	1,510,000
COB City Hall Lease Revenue Bonds Premium	7/1/14	12/31/39	3.6-5.0%	1,954,296	1,563,437		78,172	1,485,265	78,172
Sno. County Safe School Crossing Loan	2/27/17	2/26/27	1.50%	125,000	103,758		12,970	90,788	12,970
<b>Subtotal</b>				<b>\$124,405,989</b>	<b>\$112,399,891</b>	<b>\$0</b>	<b>\$4,057,478</b>	<b>\$108,342,413</b>	<b>\$4,282,478</b>
<b>Business-Type Activities</b>									
Combined Utility Revenue Bonds 2014	10/8/14	10/8/34	2.63-5.0%	18,355,000	15,130,000		750,000	14,380,000	780,000
Combined Utility Revenue Bonds 2014 Premium	10/8/14	10/8/34	2.63-5.0%	1,265,629	933,401		63,281	870,120	63,281
PWTF Loan PC13-961-060	6/1/13	6/1/32	0.25%	800,000	592,046		45,516	546,530	45,516
<b>Subtotal</b>				<b>\$20,420,629</b>	<b>\$16,655,447</b>		<b>\$858,798</b>	<b>\$15,796,649</b>	<b>\$888,797</b>
<b>Total</b>				<b>\$144,826,618</b>	<b>\$129,055,338</b>	<b>\$0</b>	<b>\$4,916,276</b>	<b>\$124,139,062</b>	<b>\$5,171,276</b>

## NOTE 14 IMPACT FEES

### Park Impact Fees

Since 1997, per the City's Municipal Code, Park impact fees have been accounted for separately in a Special Revenue Fund titled Park Cumulative Reserve. The monies remain in the Special Revenue Fund until they are transferred to the City's Capital Improvements Fund for appropriation towards park capital projects. Park impact fees are recognized as revenue when the development commences. As of December 31, 2020, park impact fee fund balance totaled \$4,263,094.

### Traffic Impact Fees

Traffic impact fees are recognized as revenue when an enforceable legal claim to the fee exists. The enforceable claim has been defined as when the local government receives the fee and development commences.



Traffic impact fees are held in the Arterial Street Fund until the City Council appropriates the monies toward approved capital improvement projects. As of December 31, 2020, traffic impact fund balance totaled \$3,236,572.

### Fire Impact Fees

In 2017, fire impact fees were enacted to ensure new development bears a share of the cost of capital facilities to accommodate new growth. Funds are used solely for capital improvements within the fire impact fee service areas. Funds are expended on a "first in/first out" accounting basis. At end of 2020, the City has cumulated fire impact fees \$318,661 to support capital project needs.

## NOTE 15 POLLUTION REMEDIATION OBLIGATIONS

In 2010, the City implemented GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations. This statement requires disclosure of "obligations to address current or potential detrimental effects of existing pollution by participating in pollution remediation activities", and identifies five distinct "obligating events" that require the City to disclose the potential future outlays associated with remediation of contaminated sites.

Once any of the five events occurs, the City documents the components of expected pollution remediation outlays that are reasonably estimable. The City then determines if some or all of the future outlays are subject to capitalization under GASB Statement No. 49 and records those expenditures accordingly.

Pollution remediation outlays are capitalized when goods and services are acquired to prepare property in anticipation of a sale, or to prepare property for use when the property was acquired with known or suspected pollution that was expected to be remediated.

Beginning in 2010, the City purchased properties for a downtown revitalization plan. As of December 31, 2020, the City has seven sites that constitute pollution remediation obligations. All sites are subject to capitalization, and all expenditures have been recorded according to GASB Statement No. 49.

### The sites that constitute pollution remediation obligations are:

- 1) Bothell Landing\* – Contaminated with petroleum in soil and groundwater.
- 2) Bothell Riverside\* – Contaminated with petroleum in soil and groundwater, as well as chlorinated solvents in groundwater.
- 3) Bothell Paint & Decorating\* – Contaminated with petroleum in soil and groundwater, as well as heavy metals in soil.
- 4) Former Hertz\* – Contaminated with petroleum in soil and groundwater.
- 5) Bothell Ultra Custom Cleaners (aka Case) – Contaminated with chlorinated solvents in soil and groundwater.
- 6) Northshore School District – Contaminated with petroleum in soil and groundwater. The City is enrolled in Department of Ecology's Voluntary Cleanup Program. The City performed petroleum remediation in 2010 and partnered with the Northshore School District in 2014 to clean up the off-site

- 1) contamination that was found on adjacent private property. Additional cleanup is currently being pursued under The Pollution Liability Insurance Agency (PLIA), as directed by the City manager.
- 2) Bothell Service Center (aka BSC) \*\* – Contaminated with chlorinated solvents in soil and groundwater.
- 3) Schuck's/O'Reilly (aka Wexler) – Contaminated with petroleum in soil+ groundwater and chlorinated solvents groundwater (comingled BSC plume).

\*Four of these sites lie in the pathway of the Crossroads realignment project and were acquired with known or suspected pollution that was expected to be remediated. These four parcels are enrolled in Agreed Orders (AO) under the Department of Ecology's remedial oversight program.

\*\*One of the sites lies in the pathway of the Main Street extension and was acquired with known or suspected pollution that was expected to be remediated. This parcel was initially enrolled in the Voluntary Clean-Up Program and was consequently enrolled in a consent decree for clean-up. The Wexler site is comingled with BSC site, and was thus incorporated into the BSD CD via an amendment.

In accordance with GASB Statement 49, future petroleum costs are presented as long-term liabilities. Future solvents, which require longer cleanup time, do not meet the criteria of pollution and remediation obligation under GASB 49, and therefore, are not considered long-term liabilities. (See Note 13)

#### 2020 Pollution Remediation Liability

Site	2020 Capitalized Costs	2020 Future Costs (Liabilities)
*Bothell Landing	47,989	45,000
*Bothell Paint & Decorating	54,291	105,000
*Former Hertz	56,156	111,000
Northshore School District	249,030	30,000
Other Sites (McGee)	22,290	
<b>Total</b>	<b>429,756</b>	<b>291,000</b>

## NOTE 16 LEASES

### Operating Leases

The City has one operating lease, the Northshore School District Operational Facility Lease. The City leases bay area from the Northshore School District's Operational Facility for the purpose of maintenance and repair of city-owned vehicles and equipment. As of December 2020, the monthly lease payment was \$6,799.

### Capital Lease

The City leases Bothell City Hall from COB Properties (COB) under a capital lease arrangement. In 2015, in compliance with GAAP, the City recorded capital lease asset at the present value of future minimum lease payments as of the inception date.

#### The asset (City Hall) acquired through capital lease is as follows:

Asset	Governmental Activities
City Hall Building	\$51,475,433
Less: Accumulated depreciation	(5,662,298)
<b>Total</b>	<b>\$45,813,135</b>

#### The present value of the future minimum lease obligations:

Years Ending December 31	Capital Lease
2021	3,323,844
2022	3,327,594
2023	3,323,615
2024	3,325,427
2025	3,327,552
Thereafter	46,285,888
<b>Total</b>	<b>\$62,913,920</b>

## **NOTE 17**

### **BLENDED COMPONENT UNIT**

COB is a non-profit corporation created in 2014 pursuant to Internal Revenue Service Ruling 63-20, and issued \$49,625,000 lease revenue bonds for the City Hall Project. Its sole purpose was to finance, construct and lease the city hall and parking garage to the City under a capital lease arrangement. Capital lease payments from the City are the single source to pay debt service on the bonds. As part of the capital lease agreement, the City pays monthly maintenance and asset management fees to COB.

In accordance with GAAP, the audited financial statements of this blended component unit are reported as an internal service fund in the City's combining financial statements.

## **NOTE 18**

### **HEALTH & WELFARE**

The City of Bothell is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2020, 257 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers' contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns.

The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2020, the retiree medical plan subsidy was eliminated, and is noted as such in this report. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

## NOTE 19

### JOINT VENTURES AND OPERATIONS

#### A Regional Coalition for Housing (ARCH)

In November 1992, the City of Bothell joined the Cities of Kirkland, Bellevue, Redmond, and King County to establish A Regional Coalition for Housing (ARCH). The agreement was recently amended in 2010. Since its inception, King County, the Cities of Redmond, Bellevue, Kirkland, Bothell, Clyde Hill, Hunts Point, Issaquah, Kenmore, Mercer Island, Newcastle, Sammamish, Woodinville, Yarrow Point, and Beaux Arts Village joined ARCH.

ARCH's purpose is to cooperatively formulate affordable housing goals and policies and to foster efforts to provide affordable housing for low and moderate-income households by combining public funding with private sector resources. ARCH assists member governments in developing housing policies, strategies,

programs, and development regulations; identifies and prioritizes projects which the member cities fund directly through their own grants, Community Development Block Grants and US Department of Housing and Urban Development's (HUD) grants.

ARCH is governed by an Executive Board composed of a Chief Executive Officer from each member. The Executive Board is responsible for review and approval of all budgetary, financial, policy and contractual matters. The Board is assisted by an administrative staff and a Citizen Advisory Board.

Each member city provides operating funding and contributes operating revenues as specified in the annual budget for ARCH. Contributions from the member cities are based on each member's population. Contributions by member agencies are held in the ARCH Housing Trust Fund Account and dispersed by the Administering Agency for approved projects. Members may withdraw from the ARCH agreement by giving one year's written notice to the Executive Board, by December 31st of any year, of its intention to terminate, effective December 31st of the following year. Members remain legally and financially responsible for any obligation incurred while a member of ARCH. Upon dissolution, the agreement provides for distribution of all property and assets among the members based on the percentage of the total annual contributions during the period of the agreement paid by each member. The City's share of assets is deemed immaterial and thus is not reflected in the financial statements.

In 2020, the City's contributions totaled \$167,384.

Budget monitoring information can be obtained from ARCH, c/o Art Sullivan, 16225 NE 87th Street, A-3, Redmond, WA 98052. 0911, Bellevue. WA 98015-0911.

### **eCityGov Alliance**

On March 25, 2002, the City of Bellevue City Council unanimously adopted a resolution establishing the eCityGov Alliance between the City of Bellevue and the Cities of Bothell, Issaquah, Kenmore, Kirkland, Mercer Island, Sammamish and Snoqualmie. Since then, additional cities and agencies have joined. The Alliance establishes on-line services through a jointly operated internet portal. In 2014 eCityGov Alliance became a non-profit corporation. Expenditures consist of capital and operations costs as specified in the budget adopted by the eCityGov Alliance Executive Board, and Bellevue's administrative costs associated with performing duties as the Alliance's fiscal agent. Revenues consist of annual membership fees from the members of the eCityGov Alliance. In 2020, the City of Bothell paid dues totaling \$51,938. The interlocal agreement may be terminated if Principals holding at least 66% of the weighted vote of all of the Principals are in concurrence. Upon termination, all property acquired shall be disposed of as follows: (1) property contributed without charge by any member shall revert to the contributor; (2) all property purchased after the effective date of the interlocal agreement shall be distributed to the Principals based upon each Principal's proportional ownership interest at the time of the sale of the property. The City's share of assets is deemed immaterial and thus not reflected in the financial statements.

Budget monitoring information may be obtained from City of Bellevue, Information Technology Department, c/o Tarik Rahmani, P.O. Box 90012, Bellevue, WA 98009.

**North East King County Regional Public Safety Communications Agency (NORCOM)**

In November 2007, the City of Bothell, with the Cities of Bellevue, Kirkland, Clyde Hill, Medina, Mercer Island, and Snoqualmie, along with Eastside Fire and Rescue, King County Fire Protection Districts 27 and 45, King and Kittitas County Fire Protection District 51, Northshore Fire Department, Shoreline Fire Department, and Woodinville Fire and Life Safety District entered into an interlocal agreement to establish and maintain a consolidated emergency service communications center to the public for emergency medical services, fire and law enforcement. Prior to the interlocal agreement, the formation efforts were carried out under a Joint Powers Agreement originally approved in 2005 and amended in 2006 and 2007. On July 1st, 2009, the separate dispatch operations of the Cities of Bellevue and Kirkland were combined and began operating as the North East King County Regional Public Safety Communications Agency (or NORCOM).

The Bothell Police Department provides emergency service communications and dispatching services for its law enforcement personnel. Bothell and NORCOM are each Public Safety Answering Points (PSAP) for the purposes of the E9-1-1 system, which requires that each PSAP have a backup agency to provide emergency communications and dispatch services in the event of a disruption in the PSAP's abilities to provide those services at its own primary facility. NORCOM serves as backup facilities for the Bothell Police Department.

NORCOM includes 911 telephone answering, computer aided dispatch of fire, police and EMS resources, public safety field technology and a records management system. Operating revenues are provided by user fees charged to each member based on average call volume. In 2020, the City of Bothell paid \$380,163 for NORCOM services.

Additional financial information can be obtained from NORCOM, c/o Gwen Pilo, Finance Manager, P.O. Box 50911, Bellevue. WA 98015-0911.

**Hazardous Materials Unit and Response Team (HazMat)**

In January 1984, the City of Bothell joined the cities of Bellevue, Kirkland, Redmond, and King County Fire Protection Districts 16 and 36 to form a Hazardous Materials Unit and Response Team (HazMat). In December 1991, the agreement was modified to designate the City of Bellevue as the lead agency. Current members are the cities of Bellevue, Kirkland, Redmond, Bothell, Snoqualmie, and Duvall along with Eastside Fire & Rescue, Woodinville Fire & Life Safety, and King County Fire District 27.

The HazMat unit provides equipment and personnel for the management of hazardous material incidents as a normal function of fire protection services. The HazMat team is governed by a Joint Board comprised of the Fire Chiefs of the member agencies plus one member from the HazMat team. The Joint Board is responsible for formulating policy, establishing annual budgets, and acquiring, holding, and disposing of real and personal property. With the exception of the member from the HazMat team, each representative on the Joint Board has a vote on all matters.

The City of Bellevue has the administrative authority for operations conducted pursuant to the agreement and provides administrative and secretarial support to the Joint Board. Members withdrawing from the agreement relinquish all rights to any reserve funds, equipment, or material purchased. Upon dissolution, the agreement provides for distribution of assets among the members based on the percentage of the total annual charges paid by each member over the life of the

agreement. The City's share of assets is deemed immaterial and thus is not reflected in the financial statements. Operating revenues are provided by an annual charge assessed each member's property values and number of emergency incidents. The City of Bothell's assessment was \$9,707 in 2020.

Budget monitoring information can be obtained from Eastside Hazardous Materials Joint Board, c/o Babette Bechtold, Bellevue Fire Department, 450 110th Ave NE, Bellevue, WA 98004.

#### Sound Cities Association (SCA)

In 1970, Sound Cities Association (SCA) was formed to help cities act locally and partner regionally to create vital, livable communities through advocacy, education, leadership, mutual support and networking. The City of Bothell is among 38 cities represented by SCA having a population less than 150,000. The SCA Board of Directors oversees the general activities of the Association, and governs the organization by establishing broad policies and objectives for SCA. Operating revenues are provided by membership dues based on population. Upon dissolution of SCA, any funds or assets shall be distributed to member cities and towns pursuant to the same formula used to determine membership dues. The City's share of assets is deemed immaterial and thus is not reflected in the financial statements. The City of Bothell's dues were \$19,038 in 2020.

For additional information contact Deanna Dawson, Executive Director, [deanna@soundcities.org](mailto:deanna@soundcities.org).

#### North Sound Metro SWAT

In 2013, City of Bothell joined the North Sound Metro Special Weapons and Tactics (SWAT) Crisis Negotiating Team, which is a regional team made up of the following cities: Edmonds, Kirkland, Lake Forest Park, Lynnwood, Mill Creek, Monroe, Mountlake Terrace, Redmond, and Mukilteo. The Executive Board is comprised of the Police Chiefs of all participating cities. The Board reviews and approves changes and updates to the SWAT Policy and Procedures Manual and gives approval and direction on operational matters. Operating revenues are provided by contributions from the participating cities based on population. Upon termination of the SWAT team, any funds or jointly purchased assets will be distributed to the participating cities. The City's share of assets is deemed immaterial and thus is not reflected in the financial statements. The City of Bothell's dues were \$4,929 for 2020. The City also contributed \$28,786 as Bothell's share of the consortium's purchase of a Bearcat vehicle.

Budget monitoring information can be obtained from Assistant Chief Jim Lawless, City of Edmonds, 250 5th Ave North, Edmonds, WA 98020.

#### Northshore Parks and Recreation Service Area (NPRSA)

In 1988, pursuant to RCW 36.68.400, King and Snohomish Counties, along with the City of Bothell, entered into an interlocal agreement to implement and govern NPRSA, a quasi-municipal corporation. In 2001, King and Snohomish Counties, along with the Cities of Bothell, Woodinville, and Kenmore, entered into an amended interlocal agreement providing for representatives of each entity to participate in governance of NPRSA. Each entity makes financial contributions to defray costs associated with governing NPRSA. In 2019, voters within NPRSA's taxing district approved a measure on the ballot raising the levy lid to \$0.04/\$1,000 of assessed value to cover costs for capital improvements to the two buildings owned by NPRSA. NPRSA is solely responsible for the maintenance of its real property and facilities, including but not limited to the buildings leased to the Northshore Senior Center.



NPRSA requires professional and administrative services to manage the capital projects, and implement the voter-approved levy. In 2020, NPRSA entered into an interlocal agreement with the City of Bothell to serve as its Administering Agency to provide professional and administrative services, on behalf of NPRSA, for the purpose of both managing their current facilities and effectuating repairs to said facilities as generally outlined in the Facility Condition Assessment prepared by EMG Corp, dated August 7, 2019. NPRSA pays the City actual value of services in order for the City to fully recover its costs. The King County treasurer remains NPRSA's treasurer pursuant to RCW 36.68.500. NPRSA retains all other rights and responsibilities, including but not limited to levying and collecting taxes from the NPRSA's taxing district, proposing legislation to its member agencies, approving budgets and adopting policies for budget expenditures, holding meetings following the requirements of the Open Public Meetings Act, entering into and authorizing execution of contracts for goods and services, adopting public procurement policies that do not conflict with those of the Administering Agency, retaining sole ownership of the property and buildings already under its ownership, overseeing the activities the Administering Agency provides to NPRSA, and any other obligations pursuant to any contract or local, state, or federal law.

In 2020, NPRSA reimbursed the City \$195,000 for professional and administrative services.

#### **North Sound Response Awareness, De-escalation, and Referral (RADAR) Program**

The RADAR program is a partnership between King County Department of Community and Human Services and the five neighboring cities: Bothell, Lake Forest Park, Kenmore, Kirkland and Shoreline. The program is designed to give police access to mental health professionals who can connect individuals with behavioral health needs to community resources, thereby reducing the need for police and other emergency services. Through an interlocal agreement, the City of Bothell manages the RADAR Program civilian staff, including a full-time program manager and a community resource/social services worker, and also manages contracted services for several mental health professionals called Navigators. Costs associated with the RADAR program may be billed up to the maximum amount of available funding per year (\$394,986 in 2020). The City of Bothell invoices DCHS on a monthly basis using a cost reimbursement model.

## **NOTE 20**

### **GOVERNMENTAL FUND BALANCES AND RECONCILIATION TO THE NET POSITION**

Governmental fund balances are classified as either spendable or non-spendable. Spendable fund balances are further categorized as restricted, committed, assigned, and unassigned. Restricted amounts are constrained to specific purposes by higher levels of government (such as Federal or State), grantors, bondholders, constitutional provisions or enabling legislation. Committed amounts are amounts specified by the government itself (City Council), and cannot be used for any other purpose than specified by the City Council through resolution. Assigned amounts reflect an intent by the local government (City Council), to use for a specific purpose and delegates the authority to an official or body of the government. Unassigned amounts are available for any purpose of the government with only positive amounts that should be reported in the General Fund.

An itemization of designated fund balance categories from the Governmental Funds Balance Sheet is shown below:

**Fund Balance for Governmental Funds  
December 31, 2020**

		Special Revenue Fund	Major Capital Projects Fund		Nonmajor Governmental Funds	Total Governmental Funds
	General	Arterial Street	Capital Improvements	Public Safety Capital		
<b>Fund Balances:</b>						
<b>Restricted for:</b>						
Parks donations	\$91,780					\$91,780
Police donations	57,731					57,731
Fire donations	35,451					35,451
Tourism	193,015					193,015
Tourism capital	289,060					289,060
Fire Pension (from Fund 604)	358,749					358,749
Transportation		3,236,572				3,236,572
Parks and recreation					4,263,094	4,263,094
Capital projects			6,682,050	22,972,584		29,654,634
Street maintenance					3,223,639	3,223,639
Drug forfeitures	11,035				109,884	120,919
Fire impact fees					318,661	318,661
Public safety levy					3,748,109	3,748,109
Public safety GO bonds					3,626.19	3,626.19
Cemetery services					16,321	16,321
<b>Committed to:</b>						
Advance travel	15,000					15,000
Imprest funds	1,750					1,750
Cemetery services					67,692	67,692
<b>Assigned to:</b>						
Capital projects	1,711,130					1,711,130
<b>Unassigned:</b>	11,226,529					11,226,529
<b>Total</b>	<b>\$13,991,231</b>	<b>\$3,236,572</b>	<b>\$6,682,050</b>	<b>\$22,972,584</b>	<b>\$11,751,025</b>	<b>\$58,633,462</b>

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The elements of the reconciliation consist of all the noncurrent financial resources and therefore are not reported in the governmental funds as below:

- Capital assets
- Long-term outstanding debts
- Pension/OPEB assets/liabilities/deferred outflows/inflows
- Pollution remediation liabilities
- Compensated absences liabilities
- The assets and liabilities of internal service funds include in governmental activities in the statement of net position

## Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Gov fund bal convert to Gov wide net position	Fund Balance for Governmental funds					Total Governmental Funds	Net Position of Governmental Activities										Net Position
	General	Arterial Street	Capital Improvements	Public Safety Capital	Other Governmental		Capital Assets	GO bond	PWTF Loan	Comp absences	OPEB	Pollution Liability	Pension Assets/Liabilities	Deferred Outflows/ Inflows - Pension	Deferred Inflow Revenue	Internal Service Funds	
Invest in capital net of debt							642,011,338	(80,912,173)	(5,009,142)								556,090,023
Restricted																	
Net pension assets													9,569,760	106,398			9,676,158
General	667,037					667,037											667,037
Pension	358,749					358,749											358,749
Transportation		3,236,572				3,236,572											3,236,572
Parks and recreation					4,263,094	4,263,094											4,263,094
Capital projects			6,682,050	22,972,584		29,654,634		(22,421,098)									7,233,536
Street maintainance					3,223,639	3,223,639											3,223,639
Drug Forfeitures	11,035				109,884	120,919											120,919
Fire impact fees					318,661	318,661											318,661
Public safety levy					3,748,109	3,748,109											3,748,109
Public safety GO bonds					3,626	3,626											3,626
Cemetery services					16,321	16,321											16,321
Unrestricted	12,954,409				67,692	13,022,101				(3,281,596)	(7,054,694)	(291,000)	(6,381,788)	763,368	788,473	2,576,520	141,384
Total	13,991,231	3,236,572	6,682,050	22,972,584	11,751,025	58,633,462	642,011,338	(103,333,271)	(5,009,142)	(3,281,596)	(7,054,694)	(291,000)	3,187,972	869,766	788,473	2,576,520	589,097,828

## NOTE 21

### TAX ABATEMENT

Tax abatement is a reduction in tax revenues that result from an agreement between one or more governments and an individual or entity in which: a) one or more governments promise to forgo tax revenues to which they are otherwise entitled, and b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City of Bothell, itself, does not have any tax abatement agreements with other entities or individuals. However, the State of Washington provides various tax abatement programs that reduce the amount of tax revenues that flow through to the local jurisdictions. In 2020, the Department of Revenue provided tax abatement programs to biotechnology and high-technology entities within the city limits which reduced the City's sales tax revenues by \$140,420 and \$274,607 respectively. The Department of Revenue's reported figures are estimates for fiscal year 2020.

Additional information regarding the state tax abatement programs can be found on the Department of Revenue's website: <https://dor.wa.gov/doing-business/information-local-governments/governmental-accounting-standards-board-gasb-statement-no-77>

## NOTE 22

### ACCOUNTING AND REPORTING CHANGES

#### GASB Implementation

The Governmental Accounting Standards Board (GASB) establishes generally accepted accounting principles (GAAP) for U.S. state and local governments. In 2020, the City reviewed the GASB pronouncements effective for reporting year 2020. The summary of current accounting and financial reporting standards showing below.

#### 2020 GASB IMPLEMENTATION

GASB	DESCRIPTION	IMPLEMENTATION NOTES
83	Certain Asset Retirement Obligations (ARO)	No ARO reported
84	Fiduciary Activities	Implemented
88	Certain Disclosures Related to Debt	No change
90	Majority Equity Interests - an amendment of GASB No. 14 and No. 61	No change
95	Postponement of the Effective Dates of Certain Authoritative Guidance	Implemented

GASB 83 Asset Retirement Obligation (ARO) is a legally enforceable liability associated with the retirement of a tangible capital asset. A government is required to incur costs for the retirement of a tangible capital asset and recognized an ARO. ARO's can occur with the retirement of tangible capital assets, disposal of a tangible capital asset or environmental remediation required as part of an asset retirement. All three possibilities are the result of the normal operation of the tangible capital asset. In reviewing the retirement of the City's capital assets in 2020, the City had no obligatory event occur to meet ARO criteria. Therefore, the City determined that ARO reporting was not applicable.

GASB 88 Certain Disclosures Related to Debt defines debt disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement also requires the disclosure including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The City did not have any debt subject to GASB 88 disclosures, and thus, the debt disclosure remained the same as prior year.

GASB 90 Majority Equity Interests (MEI) applies the situation that a government holds a financial interest with partial or complete ownership of a legally separate entity. MEI is an amendment of GASB 14 and GASB 61, which the City implemented in 2014 as COB Properties was created for the sole purpose to finance the City Hall building. In accordance with these GASB's, COB Properties, a legally separate entity, is a blended component unit of the City. The City's accounting and reporting remained the same under GASB 90.

GASB 95 Postponement of the Effective Dates of Certain Authoritative Guidance is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions which the City complied in 2020.

GASB 84 Fiduciary Activities was implemented in the City's 2019 reporting, but no fiduciary activities were reported. In 2020, the City reevaluated certain financial transactions and determined the fiduciary criteria had been met. Therefore, the City reported fiduciary activities, and created the financial statement of fiduciary net position and change in fiduciary net position.

Activities that should be reported in fiduciary funds consist of the following (GASB 84 paragraph 15-18):

- Pension/OPEB
- Investment trust funds
- Private-purpose trust funds
- Custodial funds

Based on the nature of financial activities, the City reported fiduciary activities as private-purpose trust fund and custodial fund. Below is a chart to summarize fiduciary activities in 2020.

**2020 Fiduciary Activities**

Private-Purpose Trust Fund	Beginning Balance	Received	Remitted	Ending Balance
Court Bail Bond Trust	\$ 35,787	\$ 89,471	\$ 84,258	\$ 41,000
Court Restitution	264	2,863	3,112	15
<b>Total Private-Purpose Fund Balance</b>	<b>\$ 36,051</b>	<b>\$ 92,335</b>	<b>\$ 87,370</b>	<b>\$ 41,015</b>

Custodial Fund	Beginning Balance	Received	Remitted	Balance to be remitted
State Building fees		\$ 6,784	\$ 6,672	\$ 112
DOL Firearms		8,670	8,023	647
Court Collection for State		158,653	158,653	-
Court Collection for King County		2,643	2,643	-
<b>Total Custodial Fund Balance</b>		<b>\$ 176,750</b>	<b>\$ 175,991</b>	<b>\$ 759</b>
<b>Total Fiduciary Fund Balance</b>				<b>\$ 41,774</b>

**Prior Period Adjustments**

Due to the reestablishment of fiduciary funds in implementing GASB 84, the City restated the beginning fund balance of \$36,051 which was reported in General Fund as municipal court trust in previous years.

During the 2019 financial audit, the City identified a miscalculation in the depreciation calculation of the Monte Villa Bridge between 2007 and 2010. The error resulted in an understated book value and overstated accumulated depreciation of \$6,121,043. The amount was adjusted to the beginning net position of governmental activities on the Statement of Activities.

<b>Asset # 201043 MONTE VILLA PRKWY BRIDGE</b>			
<b>Depreciation</b>			
<b>Period</b>	<b>Original</b>	<b>Correct</b>	<b>Variation</b>
1994	(2,144,746)	(2,144,746)	-
1995	(4,289,492)	(4,289,492)	-
1996	(4,289,492)	(4,289,492)	-
1997	(4,289,492)	(4,289,492)	-
1998	(4,289,492)	(4,289,492)	-
1999	(4,289,492)	(4,289,492)	-
2000	(4,289,492)	(4,289,492)	-
2001	(4,289,492)	(4,289,492)	-
2002	(4,289,492)	(4,289,492)	-
2003	(4,289,492)	(4,289,492)	-
2004	(4,289,491)	(4,289,491)	-
2005	(4,289,492)	(4,289,492)	-
2006	(4,289,492)	(4,289,492)	-
2007	(6,354,802)	(4,289,492)	(2,065,311)
2008	(6,599,218)	(4,289,491)	(2,309,726)
2009	(6,863,186)	(4,289,492)	(2,573,695)
2010	(7,149,153)	(4,289,492)	(2,859,661)
2011	(3,956,289)	(4,289,492)	333,202
2012	(3,956,289)	(4,289,491)	333,202
2013	(3,854,159)	(4,289,492)	435,333
2014	(3,854,159)	(4,289,492)	435,333
2015	(3,854,159)	(4,289,492)	435,333
2016	(3,854,159)	(4,289,491)	435,333
2017	(3,854,159)	(4,289,492)	435,333
2018	(3,867,351)	(4,289,492)	422,141
2019	(3,867,351)	(4,289,492)	422,141
<b>Total</b>	<b>(115,503,077)</b>	<b>(109,382,034)</b>	<b>(6,121,043)</b>

## NOTE 23

### SUBSEQUENT EVENT

**Fire Station Bond Program**

The design-builder for the Bothell Fire Station 42 and 45 Replacement Project provided a Guaranteed Maximum Price (GMP) to the City, a culmination of a cooperative effort and in accordance with the design-build contract. When combined with other project-specific scope requirements and current market conditions, the GMP total estimated project cost exceeds the approved \$35.5 million bond amount by approximately \$2.5million.

In February 2021, City Council approved the following to fund project costs in excess of the bond proceeds:

Fire Impact Fees, Accumulated balance	325,000
Fire Impact Fees, Long term line of credit	1,800,000
General Fund Contribution	<u>375,000</u>
Total Funding Excess of Bond Proceeds	\$2,500,000

Construction is expected to begin on both fire stations in summer of 2021.

## NOTE 24 COVID-19 PANDEMIC

2020 was a year significantly impacted by the COVID-19 pandemic. Early in the year the City took swift action to mitigate the effects which included employee furloughs, layoffs, and other hiring/vacancy strategies, along with exercising strict budget discipline. Disruptions to revenue from the pandemic were sizable, but short lived. Revenues trended towards a recovery in the second half of 2020 and expenditure savings continued on trend until the end of the year.

The financial health of the organization was maintained largely due to measures taken early in the pandemic to reduce expenditures, and unbudgeted CARES Act funding. Unassigned fund balance in the General Fund increased by 10% in 2020.

Moving forward into 2021, the City continues to monitor any remaining effects from the pandemic.

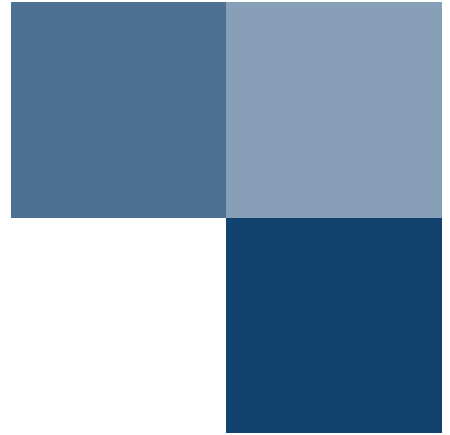
In early 2021, the American Rescue Plan Act (ARP) went into law. Under the plan U.S. cities and towns will receive \$65.1 billion in direct and flexible federal funds. Washington cities are projected to receive more than \$1.1 billion in federal funding. While it is unknown at this time what portion of funds will be distributed to Bothell, the funds may be used for the following:

- Responding to the COVID-19 pandemic
- Covering costs incurred from the public health emergency
- Replacing lost, delayed, or decreased revenues due to COVID-19
- Addressing the negative economic impacts on local businesses and nonprofits
- Making necessary investments in water, sewer, and broadband infrastructure





City of Bothell™



# **REQUIRED SUPPLEMENTAL INFORMATION**

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
General Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts Budgetary Basis	2020 Actual Amounts Budgetary Basis	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Taxes	\$ 77,577,768	\$ 77,577,768	\$ 36,146,359	\$ 36,758,445	\$ 72,904,804	\$ (4,672,964)
Licenses and permits	7,805,000	7,805,000	3,765,483	3,604,398	7,369,881	(435,119)
Intergovernmental revenues	2,223,700	2,768,700	1,896,589	4,702,355.94	6,598,945	3,830,245
Charges for services	18,392,362	18,392,362	10,581,044	10,154,701	20,735,745	2,343,383
Fines and forfeitures	830,100	830,100	200,325	184,679	385,004	(445,096)
Interest earnings	1,325,400	1,325,400	1,421,901	892,825	2,314,727	989,327
Contributions	112,000	112,000	32,841	93,718	126,559	14,559
Other revenue	1,166,250	1,166,250	566,419	356,401	922,820	(243,430)
Total revenues	109,432,580	109,977,580	54,610,961	56,747,524	111,358,485	1,380,905
<b>EXPENDITURES</b>						
Current						
General government	26,822,984	26,822,984	12,986,607	13,295,360	26,281,967	541,017
Security of persons and property	56,026,229	56,026,229	28,578,492	27,312,472	55,890,964	135,265
Transportation	11,278,436	11,278,436	5,176,935	4,885,104	10,062,039	1,216,397
Physical environment	47,500	47,500	19,313	20,006	39,319	8,181
Economic environment	10,151,374	10,684,374	4,679,029	4,803,581	9,482,610	1,201,764
Culture and recreation	5,069,036	5,069,036	2,406,418	1,949,038	4,355,456	713,580
Debt service						
Debt service - interest				32,498	32,498	(32,498)
Capital outlay	150,000	150,000	22,019	67,737	89,756	60,244
Total expenditures	109,545,559	110,078,559	53,868,814	52,365,795	106,234,608	3,843,951
Excess of revenues over (under) expenditures	(112,979)	(100,979)	742,147	4,381,729	5,123,877	5,224,856
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,398,000	1,398,000	55,873	50,000	105,873	(1,292,127)
Transfers out	(1,716,448)	(1,716,448)	(1,038,158)	(564,882)	(1,603,040)	113,408
Total other financing sources	(318,448)	(318,448)	(982,285)	(514,882)	(1,497,167)	(1,178,719)
Net change in fund balances	\$ (431,427)	\$ (419,427)	\$ (240,137)	\$ 3,866,847	\$ 3,626,710	\$ 4,046,137
FUND BALANCES - JANUARY 1, 2019	10,529,222	10,529,222	10,020,108		10,020,108	(509,114)
Restatement per GASB 73 & 84 implementation (see Note 22)			344,413		344,413	344,413
<b>FUND BALANCES - DECEMBER 31, 2020</b>	<b>\$ 10,097,795</b>	<b>\$ 10,109,795</b>	<b>\$ 10,124,384</b>	<b>\$ 3,866,847</b>	<b>\$ 13,991,231</b>	<b>\$ 3,881,436</b>

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Arterial Street Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts Budgetary Basis	2020 Actual Amounts Budgetary Basis	Total 2019-2020 Actuals	Final Budget Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Intergovernmental revenues						
Charges for services	\$ 7,404,438	\$ 7,404,438	\$ 2,171,233	\$545,914	\$ 2,717,147	\$ (4,687,291)
Interest earnings						
Other revenue						
Total revenues	<u>7,404,438</u>	<u>7,404,438</u>	<u>2,171,233</u>	<u>\$545,914</u>	<u>2,717,147</u>	<u>(4,687,291)</u>
<b>EXPENDITURES</b>						
Current						
Construction projects						
Capital outlay						
Debt service - principal						
Debt service - interest						
Total expenditures	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Excess of revenues over (under) expenditures	7,404,438	7,404,438	2,171,233	545,914	2,717,147	(4,687,291)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in						-
Transfers out	<u>(5,105,192)</u>	<u>(5,105,192)</u>	<u>(2,423,815)</u>	<u>(2,666,504)</u>	<u>(5,090,319)</u>	<u>14,873</u>
Total other financing sources	<u>(5,105,192)</u>	<u>(5,105,192)</u>	<u>(2,423,815)</u>	<u>(2,666,504)</u>	<u>(5,090,319)</u>	<u>14,873</u>
Net change in fund balances	\$ 2,299,246	\$ 2,299,246	\$ (252,582)	\$ (2,120,589)	\$ (2,373,171)	\$ (4,672,417)
FUND BALANCES - JANUARY 1, 2019	6,725,859	6,725,859	5,609,743		5,609,743	(1,116,116)
<b>FUND BALANCES - DECEMBER 31, 2020</b>	<u><b>\$ 9,025,105</b></u>	<u><b>\$ 9,025,105</b></u>	<u><b>\$ 5,357,161</b></u>	<u><b>\$ (2,120,589)</b></u>	<u><b>\$ 3,236,572</b></u>	<u><b>\$ (5,788,533)</b></u>

Schedule of Proportionate Share of the Net Pension Liability  
PERS 1  
As of June 30, 2020  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020
Employer's Proportion of the Net Pension Liability (Asset)	0.121450%	0.122680%	0.117383%	0.127456%	0.129991%	0.129582%
Employer's Proportionate Share of the Net Pension Liability	\$6,352,964	\$6,588,494	\$5,569,915	\$5,692,228	\$4,995,537	\$4,574,944
TOTAL	\$6,352,964	\$6,588,494	\$5,569,915	\$5,692,228	\$4,995,537	\$4,574,944
Covered Payroll	\$13,786,742	\$14,498,305	\$14,618,695	\$16,801,936	\$18,137,865	\$19,471,311
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	46.08%	45.44%	38.10%	33.88%	27.54%	23.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Schedule of Proportionate Share of the Net Pension Liability  
 PERS 2/3  
 As of June 30, 2020  
 Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020
Employer's Proportion of the Net Pension Liability (Asset)	0.151904%	0.150951%	0.145687%	0.158377%	0.164374%	0.164786%
Employer's Proportionate Share of the Net Pension Liability	\$5,427,617	\$7,650,613	\$5,061,927	\$2,704,146	\$1,596,630	\$2,107,519
TOTAL	\$5,427,617	\$7,650,613	\$5,061,927	\$2,704,146	\$1,596,630	\$2,107,519
Covered Payroll	\$13,515,966	\$14,191,416	\$14,283,210	\$16,465,729	\$17,933,897	\$19,130,010
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	40.16%	53.91%	35.44%	16.42%	8.90%	11.02%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Schedule of Proportionate Share of the Net Pension Liability  
 PSERS 2  
 As of June 30, 2020  
 Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020
Employer's Proportion of the Net Pension Liability (Asset)	0.042517%	0.051392%	0.054591%	0.054126%	0.043737%	0.044507%
Employer's Proportionate Share of the Net Pension Liability	\$7,760	\$21,841	\$10,767	\$671	(\$5,688)	(\$6,124)
TOTAL	\$7,760	\$21,841	\$10,767	\$671	(\$5,688)	(\$6,124)
Covered Payroll	\$129,922	\$166,553	\$194,556	\$212,416	\$203,968	\$272,063
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	5.97%	13.11%	5.53%	0.32%	-2.79%	-2.25%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	95.08%	90.41%	96.26%	99.79%	101.85%	101.68%

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Schedule of Proportionate Share of the Net Pension Liability  
LEOFF 1  
As of June 30, 2020  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020
Employer's Proportion of the Net Pension Liability (Asset)	0.037398%	0.037459%	0.036842%	0.036077%	0.035125%	0.034326%
Employer's Proportionate Share of the Net Pension Liability	(\$450,729)	(\$385,935)	(\$558,974)	(\$654,979)	(\$694,285)	(\$648,250)
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the Employer	(\$3,067,869)	(\$2,610,454)	(\$3,780,888)	(\$4,430,259)	(\$4,696,124)	(\$4,384,744)
TOTAL	(\$3,518,598)	(\$2,996,389)	(\$4,339,862)	(\$5,085,238)	(\$5,390,408)	(\$5,032,994)
Covered Payroll						
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll						
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.36%	123.74%	135.96%	144.42%	148.78%	146.88%

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.



Schedule of Proportionate Share of the Net Pension Liability  
LEOFF 2  
As of June 30, 2020  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020
Employer's Proportion of the Net Pension Liability (Asset)	0.446157%	0.442168%	0.433695%	0.495674%	0.457065%	0.437060%
Employer's Proportionate Share of the Net Pension Liability	(\$4,585,602)	(\$2,571,782)	(\$6,018,281)	(\$10,063,263)	(\$10,588,793)	(\$8,915,386)
LEOFF 2 Employers Only - State's Proportionate Share of the Net Pension Liability (Asset) Associated with the Employer	(\$3,032,006)	(\$1,676,615)	(\$3,903,947)	(\$6,515,773)	(\$6,934,241)	(\$5,700,714)
TOTAL	(\$7,617,608)	(\$4,248,397)	(\$9,922,228)	(\$16,579,036)	(\$17,523,034)	(\$14,616,100)
Covered Payroll	\$13,047,275	\$13,395,080	\$13,567,101	\$16,202,202	\$16,015,195	\$16,465,413
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	-58.38%	-31.72%	-73.13%	-102.33%	-109.42%	-88.77%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.67%	106.04%	113.36%	118.50%	119.43%	115.83%

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Schedule of Employer Contributions  
PERS 1  
As of December 31, 2020  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020
Statutorily or Contractually Required Contributions	\$630,678	\$701,167	\$769,301	\$892,390	\$948,008	\$903,269
Contributions in Relation to the Statutorily or Contractually Required Contributions	(\$630,678)	(\$701,167)	(\$769,301)	(\$892,390)	(\$948,008)	(\$903,269)
Contribution Deficiency (Excess)	-	-	-	-	-	-
Covered Payroll	\$14,176,738	\$14,322,135	\$15,527,021	\$17,521,949	\$19,075,356	\$18,720,005
Contributions as a Percentage of Covered Payroll	4.45%	4.90%	4.95%	5.09%	4.97%	4.83%

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

**Schedule of Employer Contributions**  
**PERS 2/3**  
**As of December 31, 2020**  
**Last 10 Fiscal Years\***

	2015	2016	2017	2018	2019	2020
Statutorily or Contractually Required Contributions	\$784,160	\$883,523	\$1,035,078	\$1,292,595	\$1,448,655	\$1,458,690
Contributions in Relation to the Statutorily or Contractually Required Contributions	(\$784,160)	(\$883,523)	(\$1,035,078)	(\$1,292,595)	(\$1,448,655)	(\$1,458,690)
Contribution Deficiency (Excess)	-	-	-	-	-	-
Covered Payroll	\$13,898,168	\$14,181,934	\$15,178,196	\$17,242,855	\$18,755,650	\$18,417,867
Contributions as a Percentage of Covered Payroll	5.64%	6.23%	6.82%	7.50%	7.72%	7.92%

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Schedule of Employer Contributions  
PSERS 2  
As of December 31, 2020  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020
Statutorily or Contractually Required Contributions	\$8,910	\$12,814	\$13,654	\$13,646	\$17,786	\$16,760
Contributions in Relation to the Statutorily or Contractually Required Contributions	(\$8,910)	(\$12,814)	(\$13,654)	(\$13,646)	(\$17,786)	(\$16,760)
Contribution Deficiency (Excess)	-	-	-	-	-	-
Covered Payroll	\$137,513	\$194,445	\$205,096	\$199,465	\$248,953	\$232,776
Contributions as a Percentage of Covered Payroll	6.48%	6.59%	6.66%	6.84%	7.14%	7.20%

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Schedule of Employer Contributions  
LEOFF 1  
As of December 31, 2020  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020
Statutorily or Contractually Required Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Statutorily or Contractually Required Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution Deficiency (Excess)	-	-	-	-	-	-
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions as a Percentage of Covered Payroll	NA	NA	NA	NA	NA	NA

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Schedule of Employer Contributions  
LEOFF 2  
As of December 31, 2020  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020
Statutorily or Contractually Required Contributions	\$689,895	\$674,658	\$769,582	\$851,004	\$863,232	\$868,940
Contributions in Relation to the Statutorily or Contractually Required Contributions	(\$689,895)	(\$674,658)	(\$769,582)	(\$851,004)	(\$863,232)	(\$868,940)
Contribution Deficiency (Excess)	-	-	-	-	-	-
Covered Payroll	\$13,175,218	\$13,364,894	\$14,792,634	\$16,079,675	\$16,514,920	\$16,719,622
Contributions as a Percentage of Covered Payroll	5.24%	5.05%	5.20%	5.29%	5.23%	5.20%

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Schedule of Employer Contributions  
Firefighters' Pension Fund  
As of December 31, 2020  
Last 10 Fiscal Years\*

	2016	2017	2018	2019	2020
Statutorily or Contractually Required Contributions	\$42,705	\$57,336	\$64,902	\$66,452	\$72,088
Contributions in Relation to the Statutorily or Contractually Required Contributions	(\$40,946)	(\$67,108)	(\$54,257)	(\$60,711)	(\$63,493)
Contribution Deficiency (Excess)	\$1,759	(\$9,772)	\$10,645	\$5,742	\$8,595
Covered Payroll	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Schedule of Changes in Total Pension Liability and Related Ratios  
 Firefighters' Pension Fund  
 As of December 31, 2020  
 Last 10 Fiscal Years\*

	2016	2017	2018	2019	2020
Total Pension Liability					
Employer's total pension liability	\$330,775	\$452,534	\$386,242	\$405,390	\$401,810
TOTAL	\$330,775	\$452,534	\$386,242	\$405,390	\$401,810
Plan Fiduciary Net Position					
Employer's contribution	\$56,151	\$57,257	\$64,902	\$66,452	\$72,088
Benefit payments	(\$40,946)	(\$67,108)	(\$54,257)	(\$60,711)	(\$63,493)
Net change in plan fiduciary net position	\$15,205	(\$9,851)	\$10,645	\$5,742	\$8,595
Plan fiduciary net position - beginning	\$328,414	\$343,619	\$333,768	\$344,413	\$350,154
Plan fiduciary net position - ending	\$343,619	\$333,768	\$344,413	\$350,154	\$358,749
Net pension liability (asset) ending	(\$12,844)	\$118,766	\$41,829	\$55,236	\$43,061
Plan fiduciary net position as a percentage of the total pension liability	103.88%	73.76%	89.17%	86.37%	89.28%
Covered Payroll	-	-	-	-	-
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A	N/A

\*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.



Schedule of Changes in Total OPEB Liability and Related Ratios  
Single Employer OPEB Plan  
For the year ended June 30, 2020  
Last 10 Fiscal Years\*

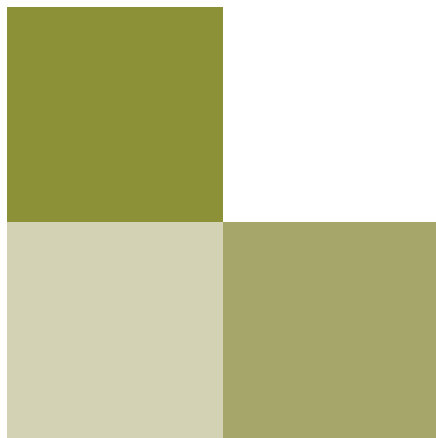
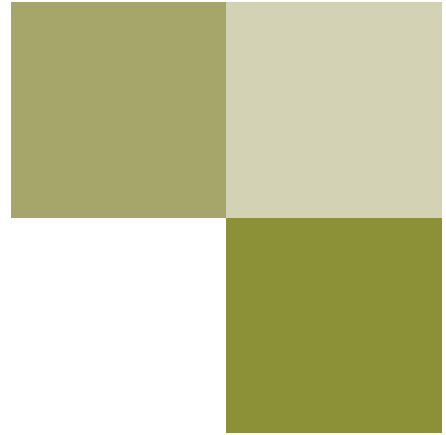
		2018	2019	2020
<b>Total OPEB liability - beginning</b>		\$6,768,799	\$6,508,717	\$6,092,981
	Service cost			
	Interest	237,014	245,480	207,533
	Changes in benefit terms			
	Differences between expected and actual experience	(197,865)	(326,896)	1,083,944
	Changes of assumptions			
	Benefit payments	(299,231)	(334,320)	(329,764)
	Other changes			
Total OPEB liability - ending		<u>\$6,508,717</u>	<u>\$6,092,981</u>	<u>\$7,054,694</u>
Covered-employee payroll**		-	-	-
Total OPEB liability as a % of covered payroll		N/A	N/A	N/A

\*Until a full 10-year trend is compiled, only information for those years available is presented.

\*\*No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.



City of Bothell™



# **COMBINING FINANCIAL STATEMENTS**

## NON-MAJOR OTHER GOVERNMENTAL FUNDS

### Special Revenue Funds

**Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.**

- Street Funds - This fund is used to account for all maintenance & operation functions for the City's transportation system.
- Park Cumulative Reserve Fund - This fund is used for the acquisition & development of parks.
- Drug Forfeiture Fund - This fund is used to account for monies seized during drug policing activities.
- Fire Impact Fees Fund - This fund is used for capital improvements to accomodate new growth.
- Public Safety Levy Fund – This fund is used to account for public safety operational functions for the public safety levy lid lift.

### Permanent Funds

**Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.**

- Cemetery Endowment Fund - This fund account for cemetery plot sales, donations, and investment earnings.

### Debt Service Funds

**Debt Service Funds funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.**

- 2013 General Obligation Bond Fund - This fund accounts for the retirement of general purpose bonds issued for public improvements related to the Downtown Revitalization.
- 2014 Local Infrastructure Financing Tool (LIFT) Bond Fund – This fund accounts for the retirement of general purpose bonds issued for public improvements related to LIFT funding for the City's designated Revenue Development Area (RDA).

**Combining Balance Sheet  
Other Governmental Funds  
December 31, 2020**

	Special Revenue Funds						Permanent Fund					
	Street	Park Cumulative Reserve	Drug Forfeitures	Fire Impact Fees	Public Safety Levy	Total Special Revenue Funds	Cemetery Endowment	2013 GO Bond	Lift GO Bond	Public Safety GO Bond	Total Debt Service Funds	Total Other Governmental Funds
<b>ASSETS</b>												
Current cash & cash equivalents	\$ 143,493	\$ 263,094	\$ 100,387	\$ 318,661	\$ 87,752	\$ 913,386	\$ 84,013				\$ -	\$ 997,399
Investments	3,050,000	4,000,000			3,774,179	10,824,179					-	10,824,179
Receivables (net of allowances):											-	-
Taxes receivable	72,831				74,845	147,676				16,454	16,454	164,130
Accounts receivable			15,323			15,323					-	15,323
Due from other governmental units	133,267					133,267					-	133,267
<b>TOTAL ASSETS</b>	<b>\$ 3,399,591</b>	<b>\$ 4,263,094</b>	<b>\$ 115,710</b>	<b>\$ 318,661</b>	<b>\$ 3,936,776</b>	<b>\$ 12,033,831</b>	<b>\$ 84,013</b>			<b>\$ 16,454</b>	<b>\$ 16,454</b>	<b>\$ 12,134,299</b>
<b>LIABILITIES</b>												
Accounts payable			1,439		1,405	62,691						62,691
Due to other governmental units	59,847					4,388						4,388
Payroll payable			4,388									
Total liabilities	55,402				124,880	180,282						180,282
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>115,249</b>	<b>-</b>	<b>5,826</b>		<b>126,285</b>	<b>247,360</b>						<b>247,360</b>
Unavailable revenue												
Total deferred inflows of resources	60,703				62,382	123,085				12,828	12,828	135,913
<b>FUND BALANCES</b>	<b>60,703</b>				<b>62,382</b>	<b>123,085</b>				<b>12,828</b>	<b>12,828</b>	<b>135,913</b>
Restricted												
Committed												
Total fund balances	3,223,639	4,263,094	109,884	318,661	3,748,109	11,663,386	16,321			3,626	3,626	11,683,333
	3,223,639	4,263,094	109,884	318,661	3,748,109	11,663,386	67,692				-	67,692
							84,013			3,626	3,626	11,751,025
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 3,399,591</b>	<b>\$ 4,263,094</b>	<b>\$ 115,710</b>	<b>\$ 318,661</b>	<b>\$ 3,936,776</b>	<b>\$ 12,033,831</b>	<b>\$ 84,013</b>			<b>\$ 16,454</b>	<b>\$ 16,454</b>	<b>\$ 12,134,299</b>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Other Governmental Funds**  
**For the Year Ended December 31, 2020**

	Special Revenue Funds					Permanent Fund	Debt Service Funds					
	Street	Park Cumulative Reserve	Drug Forfeitures	Fire Impact Fees	Public Safety Levy	Total Special Revenue Funds	Cemetery Endowment	2013 GO Bond	Lift GO Bond	Public Safety GO Bond	Total Debt Service Funds	Total Other Governmental Funds
REVENUES												
Taxes	\$ 4,887,984	\$ 168,847			\$ 5,019,894	\$ 10,076,725			\$ 1,000,000	\$ 1,590,286	\$ 2,590,286	\$ 12,667,011
Licenses and permits	77,813					77,813						77,813
Intergovernmental revenue	910,597				50,363	960,960						960,960
Charges for services	16,074	871,304		46,397		933,776						933,776
Fine and forfeitures			42,447			42,447						42,447
Other revenue	976					976						976
Total revenues	5,893,444	1,040,151	42,447	46,397	5,070,257	12,092,896			1,000,000	1,590,286	2,590,286	14,682,982
EXPENDITURES												
Current												
General government					823,517	823,517						823,517
Security			41,077		2,640,388	2,681,465						2,681,465
Transportation	2,664,220				3,680	2,667,900						2,667,900
Capital Outlay					171,209	171,209						171,209
Other expenditures								(599)	(600)	19	(1,180)	(1,180)
Debt service												
Principal retirement								415,000	765,000	740,000	1,920,000	1,920,000
Interest								283,462	1,231,850	846,641	2,361,953	2,361,953
Total expenditures	2,664,220		41,077		3,638,793	6,344,090		697,864	1,996,250	1,586,660	4,280,774	10,624,863
Excess of revenues over (under) expenditures	3,229,224	1,040,151	1,370	46,397	1,431,465	5,748,806		(697,864)	(996,250)	3,626	(1,690,487)	4,058,119
OTHER FINANCING SOURCES (USES)												
Transfers in								697,864	996,250		1,694,114	1,694,114
Transfers out	(1,526,672)	(150,999)			(26,708)	(1,704,379)						(1,704,379)
Total other financing sources	(1,526,672)	(150,999)			(26,708)	(1,704,379)		697,864	996,250	-	1,694,114	(10,266)
Net change in fund balances	1,702,552	889,152	1,370	46,397	1,404,757	4,044,227		-	-	3,626	3,626	4,047,854
Fund balance - beginning	1,521,086	3,373,942	108,514	272,264	2,343,353	7,619,158	84,013					7,703,172
Fund balance - ending	\$ 3,223,639	\$ 4,263,094	\$ 109,884	\$ 318,661	\$ 3,748,109	\$ 11,663,386	\$ 84,013			\$ 3,626	\$ 3,626	\$ 11,751,025

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
Street Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019	2020	Total	Variance with
	Original	Final	Actual Amounts Budgetary Basis	Actual Amounts Budgetary Basis	2019-2020 Actuals	Final Budget Positive (Negative)
<b>REVENUES</b>						
Taxes	\$ 9,679,068	\$ 9,679,068	\$ 4,723,479	\$ 4,887,984	\$ 9,611,463	\$ (67,605)
Licenses and permits	250,000	250,000	60,518	77,813	138,331	(111,669)
Charges for services			21,438	16,074	37,512	37,512
Intergovernmental revenue	2,132,032	2,132,032	1,026,128	910,597	1,936,725	(195,307)
Miscellaneous			3,804	976	4,780	4,780
Total revenues	<u>12,061,100</u>	<u>12,061,100</u>	<u>5,835,368</u>	<u>5,893,444</u>	<u>11,728,812</u>	<u>(332,288)</u>
<b>EXPENDITURES</b>						
Current						
Personnel services	3,275,793	3,275,793	1,521,665	1,252,706	2,774,371	501,422
Operating supplies	558,250	558,250	180,811	97,584	278,395	279,855
Taxes	1,000	1,000	775	915	1,691	(691)
Other services and charges	3,182,237	3,182,237	1,400,074	1,313,015	2,713,088	469,149
Capital outlay	5,600	5,600	5,349		5,349	251
Total expenditures	<u>7,022,880</u>	<u>7,022,880</u>	<u>3,108,674</u>	<u>2,664,220</u>	<u>5,772,893</u>	<u>1,249,987</u>
Excess of revenues over (under) expenditures	5,038,220	5,038,220	2,726,694	3,229,224	5,955,918	917,698
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in						
Transfers out	(5,242,000)	(5,242,000)	(2,683,508)	(1,526,672)	(4,210,180)	1,031,820
Total other financing sources	<u>(5,242,000)</u>	<u>(5,242,000)</u>	<u>(2,683,508)</u>	<u>(1,526,672)</u>	<u>(4,210,180)</u>	<u>1,031,820</u>
Net change in fund balances	(203,780)	(203,780)	43,187	1,702,552	1,745,739	1,949,519
Fund balance - beginning	2,347,559	2,347,559	1,477,900		1,477,900	(869,659)
<b>Fund balance - ending</b>	<b><u>\$ 2,143,779</u></b>	<b><u>\$ 2,143,779</u></b>	<b><u>\$ 1,521,086</u></b>	<b><u>\$ 1,702,552</u></b>	<b><u>\$ 3,223,639</u></b>	<b><u>\$ 1,079,860</u></b>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
 Park Cumulative Reserve Fund  
 For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts Budgetary Basis	2020 Actual Amounts Budgetary Basis	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Taxes	\$ 64,000	\$ 64,000	\$ 72,787	168,847	\$ 241,634	\$ 177,634
Charges for services	2,120,000	2,120,000	643,938	871,304	1,515,242	(604,758)
Total revenues	2,184,000	2,184,000	716,725	1,040,151	1,756,876	(427,124)
<b>EXPENDITURES</b>						
Current						
Construction projects						
Total expenditures						
Excess of revenues over (under) expenditures	2,184,000	2,184,000	716,725	- 1,040,151	1,756,876	(427,124)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(153,000)	(153,000)	(2,001)	(150,999)	(153,000)	-
Total other financing sources	(153,000)	(153,000)	(2,001)	(150,999)	(153,000)	-
Net change in fund balances	2,031,000	2,031,000	714,724	- 889,152	1,603,876	(427,124)
Fund balance - beginning	2,036,340	2,036,340	2,659,218		2,659,218	622,878
<b>Fund balance - ending</b>	<b>\$ 4,067,340</b>	<b>\$ 4,067,340</b>	<b>\$ 3,373,942</b>	<b>\$ 889,152</b>	<b>\$ 4,263,094</b>	<b>\$ 195,754</b>



Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
Drug Forfeitures Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts	2020 Actual Amounts	Total 2019-2020	Variance with Final Budget
	Original	Final	Budgetary Basis	Budgetary Basis	Actuals	Positive (Negative)
<b>REVENUES</b>						
Charges for services	\$ 115,000	\$ 115,000	\$ 17,050	42,447	\$ 59,497	\$ (55,503)
Total revenues	115,000	115,000	17,050	42,447	59,497	(55,503)
<b>EXPENDITURES</b>						
Current						
Personnel services	3,000	3,000		1,439	1,439	1,561
Operating supplies	7,000	7,000	3,748	4,367	8,115	(1,115)
Other services and charges	12,800	41,600	12,694	35,271	47,965	(6,365)
Capital outlay	6,000	6,000				6,000
Total expenditures	28,800	57,600	16,442	41,077	57,519	81
Excess of revenues over (under) expenditures	86,200	57,400	609 -	1,370	1,978	(55,422)
<b>OTHER FINANCING SOURCES (USES)</b>						
Total other financing sources						
Net change in fund balances	86,200	57,400	609 -	1,370	1,978	(55,422)
Fund balance - beginning	120,027	120,027	107,905		107,905	(12,122)
<b>Fund balance - ending</b>	<b>\$ 206,227</b>	<b>\$ 177,427</b>	<b>\$ 108,514</b>	<b>\$ 1,370</b>	<b>\$ 109,884</b>	<b>\$ (67,543)</b>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
Fire Impact Fees Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts Budgetary Basis	2020 Actual Amounts Budgetary Basis	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Charges for services	\$ 360,000	\$ 360,000	\$ 49,388	46,397	\$ 95,785	\$ (264,215)
Total revenues	360,000	360,000	49,388	46,397	95,785	(264,215)
<b>EXPENDITURES</b>						
Total expenditures						
Excess of revenues over (under) expenditures	360,000	360,000	49,388	- 46,397	95,785	(264,215)
<b>OTHER FINANCING SOURCES (USES)</b>						
Total other financing sources						
Net change in fund balances	360,000	360,000	49,388	- 46,397	95,785	(264,215)
Fund balance - beginning	192,858	192,858	222,875		222,875	30,017
<b>Fund balance - ending</b>	<b>\$ 552,858</b>	<b>\$ 552,858</b>	<b>\$ 272,264</b>	<b>\$ 46,397</b>	<b>\$ 318,661</b>	<b>\$ (234,197)</b>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
Public Safety Levy Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts	2020 Actual Amounts	Total 2019-2020	Variance with Final Budget
	Original	Final	Budgetary Basis	Budgetary Basis	Actuals	Positive (Negative)
<b>REVENUES</b>						
Taxes		\$ 9,847,000	\$ 4,793,673	5,019,894	\$ 9,813,567	\$ (33,433)
Intergovernmental revenue			\$ 26,382	50,363	\$ 76,745	\$ 76,745
Total revenues	-	9,847,000	4,820,055	5,070,257	9,890,312	43,312
<b>EXPENDITURES</b>						
General government		958,251	725,112	827,197	1,552,309	(594,058)
Security		7,853,063	1,724,610	2,640,388	4,364,998	3,488,065
Interest			556		556	(556)
Capital outlays				171,209	171,209	(171,209)
Total expenditures		8,811,314	2,450,278	3,638,793	6,089,071	2,722,243
Excess of revenues over (under) expenditures	-	1,035,686	2,369,777	- 1,431,465	3,801,241	2,765,555
<b>OTHER FINANCING SOURCES (USES)</b>						
Interfund loan		1,000,000				(1,000,000)
Transfer out			(26,424)	(26,708)	(53,132)	(53,132)
Total other financing sources		1,000,000	(26,424)	(26,708)	(53,132)	(1,053,132)
Net change in fund balances	-	2,035,686	2,343,353	- 1,404,757	3,748,109	1,712,423
Fund balance - beginning					-	-
<b>Fund balance - ending</b>	<b>\$ -</b>	<b>\$ 2,035,686</b>	<b>\$ 2,343,353</b>	<b>\$ 1,404,757</b>	<b>\$ 3,748,109</b>	<b>\$ 1,712,423</b>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
Cemetery Endowment Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts Budgetary Basis	2020 Actual Amounts Budgetary Basis	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>REVENUES</b>						
Total revenues						
<b>EXPENDITURES</b>						
Total expenditures						
Excess of revenues over (under) expenditures						
Net change in fund balances						
Fund balance - beginning	84,013	84,013	84,013		84,013	
<b>Fund balance - ending</b>	<b>\$ 84,013</b>	<b>\$ 84,013</b>	<b>\$ 84,013</b>		<b>\$ 84,013</b>	

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
General Obligation Public Safety Bond Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts	2020 Actual Amounts	Total 2019-2020	Variance with Final Budget
	Original	Final	Budgetary Basis	Budgetary Basis	Actuals	Positive (Negative)
<b>REVENUES</b>						
Bond Proceeds						
Taxes		\$ 1,650,000		\$ 1,590,286	\$ 1,590,286	\$ (59,714)
Total revenues		1,650,000		1,590,286	1,590,286	(59,714)
<b>EXPENDITURES</b>						
Current						
Principal retirement		740,000		740,000	740,000	-
Interest		890,000		846,641	846,641	43,359
Miscellaneous		20,000		19	19	19,981
Total expenditures		1,650,000		1,586,660	1,586,660	63,340
Excess of revenues over (under) expenditures		-		3,626	3,626	3,626
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfer out						-
Total other financing sources						-
Net change in fund balances				3,626	3,626	3,626
Fund balance - beginning						
<b>Fund balance - ending</b>				<b>\$ 3,626</b>	<b>\$ 3,626</b>	<b>\$ 3,626</b>

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
Lift GO Bond Redemption Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts	2020 Actual Amounts	Total 2019-2020	Variance with Final Budget
	Original	Final	Budgetary Basis	Budgetary Basis	Actuals	Positive (Negative)
<b>REVENUES</b>						
Taxes	\$ 2,000,000	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000	\$ -
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>2,000,000</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current						
Principal retirement	1,505,000	1,505,000	740,000	765,000	1,505,000	-
Interest	2,490,100	2,490,100	1,258,250	1,231,850	2,490,100	-
Miscellaneous			600	(600)	-	-
Total expenditures	<u>3,995,100</u>	<u>3,995,100</u>	<u>1,998,850</u>	<u>1,996,250</u>	<u>3,995,100</u>	<u>-</u>
Excess of revenue over (under) expenditures	(1,995,100)	(1,995,100)	(998,850)	(996,250)	(1,995,100)	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,995,100	1,995,100	998,850	996,250	1,995,100	-
Total other financing sources	<u>1,995,100</u>	<u>1,995,100</u>	<u>998,850</u>	<u>996,250</u>	<u>1,995,100</u>	<u>-</u>
Net change in fund balances						
Fund balance - beginning						
<b>Fund balance - ending</b>						

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
2013 GO Bond Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts	2020 Actual Amounts	Total 2019-2020	Variance with Final Budget
	Original	Final	Budgetary Basis	Budgetary Basis	Actuals	Positive (Negative)
<b>REVENUES</b>						
Total revenues						
<b>EXPENDITURES</b>						
Current						
Principal retirement	\$ 815,000	\$ 815,000	\$ 400,000	\$ 415,000	\$ 815,000	\$ -
Interest	578,926	578,926	295,463	283,462	578,925	2
Miscellaneous			600	(599)	2	(2)
Total expenditures	1,393,926	1,393,926	696,063	697,864	1,393,926	-
Excess of revenue over (under) expenditures	(1,393,926)	(1,393,926)	(696,063) 0	(697,864)	(1,393,926)	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,393,926	1,393,926	696,063	697,864	1,393,926	-
Total other financing sources	1,393,926	1,393,926	696,063	697,864	1,393,926	-
Net change in fund balances						
Fund balance - beginning						
<b>Fund balance - ending</b>						

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
 Capital Improvements Fund  
 For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019	2020	Total	Variance with
	Original	Final	Actual Amounts Budgetary Basis	Actual Amounts Budgetary Basis	2019-2020 Actuals	Final Budget Positive (Negative)
<b>REVENUES</b>						
Taxes	\$ 11,114,000	\$ 11,114,000	\$ 5,707,008	\$ 4,659,893	\$ 10,366,901	\$ (747,099)
Licenses and permits	826,846	826,846	496,552	502,304	998,856	172,010
Intergovernmental revenues	39,817,895	43,631,895	8,606,845	16,698,388	25,305,233	(18,326,662)
Contributions	552,121	552,121	130,137	4,848	134,985	(417,136)
Miscellaneous revenue	308,000	308,000	5,000	16,791	21,791	(286,209)
Total revenues	<u>52,618,862</u>	<u>56,432,862</u>	<u>14,945,542</u>	<u>21,882,225</u>	<u>36,827,767</u>	<u>(19,605,095)</u>
<b>EXPENDITURES</b>						
Current:						
Transportation			1,571,336	1,799	1,573,135	(1,573,135)
Capital outlay	58,463,256	64,478,256	13,545,330	21,137,346	34,682,676	29,795,580
Debt principal	3,599,246	3,599,246	1,772,461	1,837,176	3,609,637	(10,391)
Interest expense	3,846,095	3,846,095	1,918,440	1,885,056	3,803,496	42,599
Total expenditures	<u>65,908,597</u>	<u>71,923,597</u>	<u>18,807,567</u>	<u>24,861,377</u>	<u>43,668,944</u>	<u>28,254,653</u>
Excess of revenue over (under) expenditures	<u>(13,289,735)</u>	<u>(15,490,735)</u>	<u>(3,862,025)</u>	<u>(2,979,152)</u>	<u>(6,841,177)</u>	<u>8,649,558</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sales of capital assets	2,281,520	2,281,520		30,000	30,000	(2,251,520)
Loans	85,550	1,200,550	54,388		54,388	(1,146,162)
Transfers in	10,500,192	10,500,192	5,548,313	4,777,495	10,325,808	(174,384)
Transfers out	(4,787,026)	(4,787,026)	(1,750,786)	(1,744,114)	(3,494,899)	1,292,127
Total other financing sources	<u>8,080,236</u>	<u>9,195,236</u>	<u>3,851,915</u>	<u>3,063,381</u>	<u>6,915,297</u>	<u>(2,279,939)</u>
Net change in fund balances	(5,209,499)	(6,295,499)	(10,110)	84,230	74,120	6,369,619
Fund balance - beginning	6,001,439	6,001,439	6,607,931		6,607,931	606,492
<b>Fund balance - ending</b>	<u>\$ 791,940</u>	<u>\$ (294,060)</u>	<u>\$ 6,597,820</u>	<u>\$ 84,230</u>	<u>\$ 6,682,050</u>	<u>\$ 6,976,110</u>



Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual  
Public Safety Capital Fund  
For the Year Ended December 31, 2020

	Budgeted Amounts 2019-2020		2019 Actual Amounts	2020 Actual Amounts	Total 2019-2020	Variance with Final Budget
	Original	Final	Budgetary Basis	Budgetary Basis	Actuals	Positive (Negative)
<b>REVENUES</b>						
Taxes						
Intergovernmental revenues						
Licenses and permits						
Investment interest			\$ 26,778	158,864	\$ 185,642	\$ 185,642
Miscellaneous revenue						
Contributions						
Total revenues			26,778	158,864	185,642	185,642
<b>EXPENDITURES</b>						
Current:						
Economic environment						
Culture and recreation						
Capital outlay		25,500,000	251,214	2,466,823	2,718,037	22,781,963
Other expenditure				473	473	(473)
Debt issuance costs			247,466		247,466	(247,466)
Debt principal					-	
Interest expense			1,445		1,445	(1,445)
Total expenditures		25,500,000	500,124	2,467,296	2,967,420	22,532,580
Excess of revenue over (under) expenditures		(25,500,000)	(473,346)	(2,308,432)	(2,781,778)	22,718,222
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sales of capital assets						
Safety bond proceeds		23,000,000	23,235,000		23,235,000	235,000
Safety bond premium		2,500,000	2,519,362		2,519,362	19,362
Loans		1,000,000				(1,000,000)
Transfers in						
Transfers out						
Total other financing sources		26,500,000	25,754,362		25,754,362	(745,638)
Net change in fund balances		1,000,000	25,281,015	(2,308,432)	22,972,584	21,972,584
Fund balance - beginning						
<b>Fund balance - ending</b>		\$ 1,000,000	\$ 25,281,015	\$ (2,308,432)	\$ 22,972,584	\$ 21,972,584

Combining Statement of Net Position  
Internal Service Funds  
December 31, 2020

	Governmental Activities Internal Service Funds				
	Equipment Rental	Self Insurance	Asset Replacement	COB Properties	Total
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 185,570	\$ 129,113	\$ 208,334		\$ 523,016
Investments			2,300,000		2,300,000
Accounts receivable	108			52,127	52,235
Due from other governments		15,582			15,582
Restricted assets:					
Deposit held in trust				276,939	276,939
Total current assets	185,678	144,695	2,508,334	329,066	3,167,773
Non-current assets					
Capital assets:					
Building			35,285		35,285
Equipment - shop	114,990		1,795,815		1,910,805
Equipment - vehicles		32,138	9,591,695		9,623,833
Improvements	6,984		1,494,087		1,501,071
Less accumulated depreciation	(71,556)	(6,695)	(8,360,432)		(8,438,683)
Total non-current assets	50,418	25,442	4,556,450		4,632,310
Total assets	236,096	170,137	7,064,784	329,066	7,800,083
<b>DEFERRED OUTFLOWS</b>					
Deferred outflows - pension	29,426	24,176			53,602
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	38,984	31,156			70,140
Payroll payable	20,024	15,912			35,936
Compensated absences	12,015	25,751			37,766
Due to other governments	57,116				57,116
Interest payable				151,122	151,122
Total current liabilities	128,138	72,819	0	151,122	352,079
Non current liabilities					
Unearned revenue				276,939	276,939
Pension liability	32,380	28,738			61,118
Total non-current liabilities	32,380	28,738		276,939	338,057
Total liabilities	160,518	101,557	0	428,061	690,136
<b>DEFERRED INFLOWS</b>					
Deferred inflows - pension	29,378	25,100			54,478
<b>NET POSITION</b>					
Net investment in capital assets	50,418	25,442	4,556,450		4,632,310
Unrestricted	25,207	42,214	2,508,334	(98,995)	2,476,761
<b>Total net position</b>	<b>\$ 75,625</b>	<b>\$ 67,657</b>	<b>\$ 7,064,784</b>	<b>\$ (98,995)</b>	<b>\$ 7,109,071</b>

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended December 31, 2020

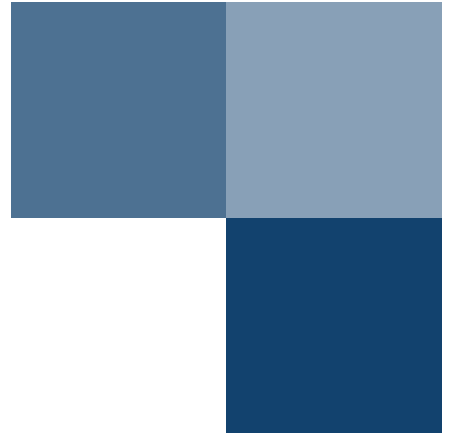
	Governmental Activities Internal Service Funds				
	Equipment Rental	Self Insurance	Asset Replacement	COB Properties	Total
Operating revenues					
Charges for services	\$ 2,008,796	\$ 1,460,672		\$ 68,621	\$ 3,538,089
Total operating revenues	<u>2,008,796</u>	<u>1,460,672</u>	<u>\$ -</u>	<u>68,621</u>	<u>3,538,089</u>
Operating expenses					
Administration	675,191	1,704,117		72,365	2,451,673
Maintenance and operations	207,140		154,492		361,632
Depreciation and amortization	8,014	2,678	1,093,581		1,104,273
Total operating expenses	<u>890,345</u>	<u>1,706,795</u>	<u>1,248,072</u>	<u>72,365</u>	<u>3,917,578</u>
Operating income (loss)	<u>1,118,451</u>	<u>(246,123)</u>	<u>(1,248,072)</u>	<u>(3,744)</u>	<u>(379,489)</u>
Non-operating revenue (expense)					
Proceeds from sale of capital assets	189	28,855	8,959		38,003
Gain (loss) on disposition of capital assets			(248,249)		(248,249)
Interest earnings				1,739,712	1,739,712
Interest expense				(1,724,960)	(1,724,960)
Total non-operating revenues (expenses)	<u>189</u>	<u>28,855</u>	<u>(239,290)</u>	<u>14,752</u>	<u>(195,494)</u>
Income (loss) before transfers	1,118,640	(217,269)	(1,487,362)	11,008	(574,983)
Transfers in		128,370	1,519,286		1,647,656
Transfers out	(1,082,774)				(1,082,774)
Change in net position	<u>35,866</u>	<u>(88,898)</u>	<u>31,924</u>	<u>11,008</u>	<u>(10,100)</u>
Net position - beginning	39,759	156,555	7,032,860	(110,003)	7,119,171
<b>Net position - ending</b>	<u><b>\$ 75,625</b></u>	<u><b>\$ 67,657</b></u>	<u><b>\$ 7,064,784</b></u>	<u><b>\$ (98,995)</b></u>	<u><b>\$ 7,109,071</b></u>

**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2020**

	Governmental Activities Internal Service Funds				
	Equipment Rental	Self Insurance	Asset Replacement	COB Properties	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 2,008,796	\$ 1,544,079		\$ 66,881	\$ 3,619,756
Cash paid to employees for services	(353,342)	(460,446)			(813,788)
Cash paid to suppliers for goods and services	(529,586)	(1,230,944)	(156,313)	(75,945)	(1,992,788)
Net cash provided (used) by operating activities	<u>1,125,868</u>	<u>(147,311)</u>	<u>(156,313)</u>	<u>(9,064)</u>	<u>813,180</u>
<b>CASH FLOWS FROM NON-OPERATING ACTIVITIES</b>					
Transfers out	(1,082,774)				(1,082,774)
Transfers in		128,370	1,519,286		1,647,656
Net cash provided (used) by non-operating activities	<u>(1,082,774)</u>	<u>128,370</u>	<u>1,519,286</u>		<u>564,882</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchases of capital assets			(184,646)		(184,646)
Capital lease				3,254,885	3,254,885
Proceeds from sale of capital assets	189	28,855	8,959		38,003
Bond principal paid				(1,365,000)	(1,365,000)
Deposit held in trust				898	898
Bond interest expenses				(1,876,031)	(1,876,031)
Bond interest payable				(5,688)	(5,688)
Net cash provided (used) by capital and related financing activities	<u>189</u>	<u>28,855</u>	<u>(175,686)</u>	<u>9,064</u>	<u>(137,578)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments			(1,200,000)		(1,200,000)
Net cash provided by investing activities			<u>(1,200,000)</u>		<u>(1,200,000)</u>
Net increase (decrease) in cash and cash equivalents	43,283	9,914	(12,713)	0	40,484
Balances - beginning	142,287	119,198	221,048		482,533
<b>Balances - ending</b>	<u><b>185,570</b></u>	<u><b>129,113</b></u>	<u><b>208,334</b></u>		<u><b>523,016</b></u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	1,118,451	(246,123)	(1,248,072)	(3,744)	(379,489)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	8,014	2,678	1,093,581		1,104,273
Change in assets and liabilities:					
Decrease (increase) in accounts receivable	58	98,989		(1,740)	97,307
Decrease (increase) in due from other governments		(15,582)			(15,582)
Increase (decrease) in accounts payable	(11,626)	22,487	(1,822)	(3,580)	5,459
Increase (decrease) in payroll payable	(12,929)	595			(12,334)
Increase (decrease) in compensated absences payable	(1,885)	6,819			4,934
Increase (decrease) in due to other governments	57,116				57,116
Increase (decrease) in GASB 68 pension adjustments	(31,332)	(17,173)			(48,505)
<b>Net cash provided by operating activities</b>	<u><b>\$ 1,125,868</b></u>	<u><b>\$ (147,311)</b></u>	<u><b>\$ (156,313)</b></u>	<u><b>\$ (9,064)</b></u>	<u><b>\$ 813,180</b></u>



City of Bothell™



## **SUPPLEMENTAL INFORMATION**

**Schedule of Operations - Budget to Actual**  
**Water Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Budgeted Amounts		2019 Actual Amounts	2020 Actual Amounts	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Basis	Budgetary Basis		
<b>OPERATING REVENUES</b>						
Charges for services	\$ 11,864,398	\$ 11,864,398	\$ 5,800,406	\$ 5,287,886	\$ 11,088,292	\$ (776,106)
Other operating revenue	70,000	70,000	72,672	2,568	75,240	5,240
Total operating revenues	11,934,398	11,934,398	5,873,078	5,290,454	11,163,532	(770,866)
<b>OPERATING EXPENSES</b>						
Administrative and general	1,885,682	1,885,682	892,691	909,514	1,802,206	83,476
Purchase water	3,544,971	3,544,971	1,727,957	1,529,448	3,257,406	287,565
Maintenance and operation	2,086,775	2,086,775	872,235	1,017,072	1,889,308	197,467
Customer accounts	479,287	479,287	254,762	212,220	466,981	12,306
Taxes	1,444,867	1,444,867	774,039	775,454	1,549,493	(104,626)
Capital outlay	3,376,200	3,376,200				3,376,200
Debt	310,000	310,000				310,000
Depreciation and amortization	1,566,548	1,566,548	812,736	851,200	1,663,935	(97,387)
Total operating expenses	14,694,330	14,694,330	5,334,420	5,294,909	10,629,329	4,065,001
OPERATING INCOME (LOSS)	(2,759,932)	(2,759,932)	538,658	(4,455)	534,204	3,294,136
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Investment earnings			556		556	556
Intergovernmental revenues			257	1,130	1,387	1,387
Miscellaneous revenue				45,427	45,427	45,427
Interfund loan		(1,000,000)				1,000,000
Interest expense	(242,862)	(242,862)	(111,086)	(105,086)	(216,173)	26,689
Total non-operating revenue (expense)	(242,862)	(1,242,862)	(110,273)	(58,529)	(168,802)	1,074,060
Income (loss) before contributions and transfers	(3,002,794)	(4,002,794)	428,385	(62,983)	365,402	4,368,196
Transfers in						
Transfers out			(81,334)	(81,121)	(162,455)	(162,455)
Contributions			118,028	246,273	364,301	364,301
Net position - beginning January 1, 2019	18,533,498	18,533,498	20,103,768		20,103,768	1,570,270
<b>Net position - ending December 31, 2020</b>	<b>\$ 15,530,704</b>	<b>\$ 14,530,704</b>	<b>\$ 20,568,847</b>	<b>\$ 102,169</b>	<b>\$ 20,671,015</b>	<b>\$ 6,140,311</b>

**Schedule of Operations - Budget to Actual**  
**Sewer Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Budgeted Amounts		2019 Actual Amounts Budgetary Basis	2020 Actual Amounts Budgetary Basis	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>OPERATING REVENUES</b>						
Charges for services	\$ 16,605,575	\$ 16,605,575	\$ 8,302,201	\$ 8,016,169	\$ 16,318,370	\$ (287,205)
Other			36,654	23,682	60,335	60,335
Total operating revenues	16,605,575	16,605,575	8,338,855	8,039,850	16,378,705	(226,870)
<b>OPERATING EXPENSES</b>						
Administrative and general	2,665,921	2,665,921	1,316,497	1,294,105	2,610,602	55,319
Metro service	9,015,494	9,015,494	4,552,004	4,481,525	9,033,529	(18,035)
Maintenance and operation	1,424,698	1,424,698	735,281	771,098	1,506,380	(81,682)
Customer accounts	462,287	462,287	254,755	214,616	469,372	(7,085)
Taxes	1,116,011	1,116,011	577,580	585,891	1,163,471	(47,460)
Capital outlay	4,429,200	4,429,200				4,429,200
Debt	140,000	140,000				140,000
Depreciation and amortization	1,240,963	1,240,963	598,221	612,384	1,210,605	30,358
Total operating expenses	20,494,574	20,494,574	8,034,340	7,959,619	15,993,958	4,500,616
OPERATING INCOME (LOSS)	(3,888,999)	(3,888,999)	304,515	80,232	384,747	4,273,746
<b>NON-OPERATING REVENUE (EXPENSE)</b>						
Investment earnings			1,445		1,445	1,445
Intergovernmental revenues			278	872	1,150	1,150
Interfund loan		(1,000,000)				1,000,000
Interest expense	(109,112)	(109,112)	(49,910)	(47,110)	(97,019)	12,093
Total non-operating revenue (expense)	(109,112)	(1,109,112)	(48,187)	(46,238)	(94,425)	1,014,687
Income (loss) before contributions and transfers	(3,998,111)	(4,998,111)	256,329	33,994	290,322	5,288,433
Transfers in						
Transfers out			(77,338)	(77,117)	(154,455)	(154,455)
Contributions			44,314	189,385	233,699	233,699
Net position - beginning January 1, 2019	7,416,987	7,416,987	19,724,744		19,724,744	12,307,757
<b>Net position - ending December 31, 2020</b>	<b>\$ 3,418,876</b>	<b>\$ 2,418,876</b>	<b>\$ 19,948,048</b>	<b>\$ 146,262</b>	<b>\$ 20,094,310</b>	<b>\$ 17,675,434</b>



**Schedule of Operations - Budget to Actual**  
**Storm & Surface Water Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Budgeted Amounts		2019 Actual Amounts	2020 Actual Amounts	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Basis	Budgetary Basis		
<b>OPERATING REVENUES</b>						
Charges for services	\$ 13,745,451	\$ 13,745,451	\$ 6,620,617	\$ 6,640,442	\$ 13,261,059	\$ (484,392)
Other			745,400	25,912	771,312	771,312
Total operating revenues	<u>13,745,451</u>	<u>13,745,451</u>	<u>7,366,017</u>	<u>6,666,354</u>	<u>14,032,371</u>	<u>286,920</u>
<b>OPERATING EXPENSES</b>						
Administrative and general	5,221,827	5,221,827	2,564,502	2,221,625	4,786,127	435,700
Maintenance and operation	3,676,685	3,676,685	1,229,368	1,287,076	2,516,444	1,160,241
Taxes	156,764	156,764	334,464	359,861	694,325	(537,561)
Capital outlay	8,229,653	8,229,653				8,229,653
Debt service	1,111,032	1,111,032				1,111,032
Depreciation and amortization		-	1,293,237	1,310,411	2,603,648	(2,603,648)
Total operating expenses	<u>18,395,961</u>	<u>18,395,961</u>	<u>5,421,571</u>	<u>5,178,973</u>	<u>10,600,545</u>	<u>7,795,416</u>
OPERATING INCOME (LOSS)	<u>(4,650,510)</u>	<u>(4,650,510)</u>	<u>1,944,446</u>	<u>1,487,381</u>	<u>3,431,826</u>	<u>8,082,336</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>						
Intergovernmental revenues	395,000	395,000	113,179	59,230	172,408	(222,592)
Interfund loan		(1,115,000)				1,115,000
Investment earnings			5,997	12,110	18,107	18,107
Interest expense	(803,334)	(803,334)	(367,834)	(347,721)	(715,555)	87,779
Total non-operating revenue (expense)	<u>(408,334)</u>	<u>(1,523,334)</u>	<u>(248,659)</u>	<u>(276,381)</u>	<u>(525,040)</u>	<u>998,294</u>
Income (loss) before contributions and transfers	(5,058,844)	(6,173,844)	1,695,787	1,211,000	2,906,787	9,080,631
Transfers out			(253,894)	(248,374)	(502,268)	(502,268)
Capital contributions			263,936	690,295	954,231	954,231
Net position - beginning January 1, 2019	5,834,284	5,834,284	24,544,014		24,544,014	18,709,730
<b>Net position - ending December 31, 2020</b>	<b>\$ 775,440</b>	<b>\$ (339,560)</b>	<b>\$ 26,249,844</b>	<b>\$ 1,652,921</b>	<b>\$ 27,902,765</b>	<b>\$ 28,242,325</b>

**Schedule of Operations - Budget to Actual  
Equipment Rental Fund  
For the Year Ended December 31, 2020**

	2019-2020 Budgeted Amounts		2019 Actual Amounts Budgetary Basis	2020 Actual Amounts Budgetary Basis	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>OPERATING REVENUES</b>						
Charges for services	\$ 4,697,604	\$ 4,697,604	\$ 2,301,353	\$ 2,008,796	\$ 4,310,149	\$ (387,455)
Other revenues			1,467		1,467	1,467
Total operating revenues	<u>4,697,604</u>	<u>4,697,604</u>	<u>2,302,820</u>	<u>2,008,796</u>	<u>4,311,616</u>	<u>(385,988)</u>
<b>OPERATING EXPENSES</b>						
Administrative and general	2,059,841	2,059,841	938,740	675,191	1,613,931	445,910
Maintenance and operation	458,209	458,209	240,976	207,140	448,116	10,093
Depreciation	14,000	14,000	5,987	8,014	14,001	(1)
Total operating expenses	<u>2,532,050</u>	<u>2,532,050</u>	<u>1,185,703</u>	<u>890,345</u>	<u>2,076,048</u>	<u>456,002</u>
OPERATING INCOME (LOSS)	<u>2,165,554</u>	<u>2,165,554</u>	<u>1,117,117</u>	<u>- 1,118,451</u>	<u>2,235,568</u>	<u>70,014</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Proceeds from sale of capital assets including insurance recoveries				189	189	189
Total non-operating revenue (expense)				<u>189</u>	<u>189</u>	<u>189</u>
Income (loss) before contributions and transfers	2,165,554	2,165,554	1,117,117	- 1,118,640	2,235,757	70,203
Transfers in						
Transfers out	(2,165,548)	(2,165,548)	(1,082,774)	(1,082,774)	(2,165,548)	-
Net position - beginning January 1, 2019	22,833	22,833	5,416		5,416	(17,417)
<b>Net position - ending December 31, 2020</b>	<u><b>\$ 22,839</b></u>	<u><b>\$ 22,839</b></u>	<u><b>\$ 39,759</b></u>	<u><b>\$ 35,866</b></u>	<u><b>\$ 75,625</b></u>	<u><b>\$ 52,786</b></u>

**Schedule of Operations - Budget to Actual**  
**Self Insurance Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Budgeted Amounts		2019 Actual Amounts	2020 Actual Amounts	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final	Budgetary Basis	Budgetary Basis		
<b>OPERATING REVENUES</b>						
Charges for insurance premiums	\$ 3,154,323	\$ 3,154,323	\$ 1,640,025	\$ 1,460,672	\$ 3,100,697	\$ (53,626)
Insurance recovery	100,000	100,000	154,149		154,149	54,149
Total operating revenues	<u>3,254,323</u>	<u>3,254,323</u>	<u>1,794,174</u>	<u>1,460,672</u>	<u>3,254,846</u>	<u>523</u>
<b>OPERATING EXPENSES</b>						
Health insurance services	385,731	385,731	143,953	128,370	272,323	113,408
Administrative and general	3,254,324	3,254,324	1,693,834	1,575,747	3,269,581	(15,257)
Depreciation			2,678	2,678	5,356	(5,356)
Total operating expenses	<u>3,640,055</u>	<u>3,640,055</u>	<u>1,840,464</u>	<u>1,706,795</u>	<u>3,547,260</u>	<u>92,795</u>
OPERATING INCOME (LOSS)	<u>(385,732)</u>	<u>(385,732)</u>	<u>(46,291) -</u>	<u>(246,123)</u>	<u>(292,414)</u>	<u>93,318</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Proceeds from sale of capital assets including insurance recoveries				28,855	28,855	28,855
Total non-operating revenue (expense)	<u></u>	<u></u>	<u></u>	<u>28,855</u>	<u>28,855</u>	<u>28,855</u>
Income (loss) before contributions and transfers	(385,732)	(385,732)	(46,291) -	(217,269)	(263,560)	122,173
Transfers in	385,731	385,731	143,953	128,370	272,323	(113,408)
Net position - beginning January 1, 2019	30,860	30,860	58,893		58,893	28,033
<b>Net position - ending December 31, 2020</b>	<u><b>\$ 30,859</b></u>	<u><b>\$ 30,859</b></u>	<u><b>\$ 156,555</b></u>	<u><b>\$ (88,898)</b></u>	<u><b>\$ 67,657</b></u>	<u><b>\$ 36,798</b></u>

**Schedule of Operations - Budget to Actual**  
**Asset Replacement Fund**  
**For the Year Ended December 31, 2020**

	2019-2020 Budgeted Amounts		2019 Actual Amounts Budgetary Basis	2020 Actual Amounts Budgetary Basis	Total 2019-2020 Actuals	Variance with Final Budget Positive (Negative)
	Original	Final				
<b>OPERATING REVENUES</b>						
Other			\$ 37,657		\$ 37,657	\$ 37,657
Total operating revenues			37,657	-	37,657	37,657
<b>OPERATING EXPENSES</b>						
Capital outlay	3,249,972	3,249,972				3,249,972
Maintenance and operations	67,055	67,055	325,510	154,492	480,002	(412,947)
Administrative and general	1,176,789	1,176,789				1,176,789
Depreciation	1,863,125	1,863,125	1,137,884	1,093,581	2,231,465	(368,340)
Total operating expenses	6,356,941	6,356,941	1,463,394	1,248,072	2,711,466	3,645,475
OPERATING INCOME (LOSS)	(6,356,941)	(6,356,941)	(1,425,737)	(1,248,072)	(2,673,809)	3,683,132
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Proceeds from sale of capital assets including insurance recoveries	109,900	109,900		8,959	8,959	(100,941)
Gain (loss) on disposition of capital assets			95,079	(248,249)	(153,170)	(153,170)
Intergovernmental revenues			(473)		(473)	(473)
					-	-
Total non-operating revenue (expense)	109,900	109,900	94,606	(239,290)	(144,684)	(254,584)
Income (loss) before contributions and transfers	(6,247,041)	(6,247,041)	(1,331,131)	(1,487,362)	(2,818,493)	3,428,548
Transfers in	3,496,265	3,496,265	1,976,979	1,519,286	3,496,265	-
Net position - beginning January 1, 2019	4,406,007	4,406,007	6,387,012		6,387,012	1,981,005
<b>Net position - ending December 31, 2020</b>	<b>\$ 1,655,231</b>	<b>\$ 1,655,231</b>	<b>\$ 7,032,860</b>	<b>\$ 31,924</b>	<b>\$ 7,064,784</b>	<b>\$ 5,409,553</b>

**Schedule 16**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2020**

Grantor/Pass Through Grantor Program Title	CFDA Number	Other Identification Number	Current Year Expenditures			Pass Through to Subrecipients	Note
			Direct	Pass-Through	Total		
<b>Department of Homeland Security/Washington State Military Department</b>							
<u>Disaster Grants - Public Assistance (Presidentially Declared Disasters)</u>							
2020 Severe Storms, Flooding, Mudslides, Landslides	97.036	D20-2072	-	14,057	14,057	-	1,2,3
(COVID-19) COVID-19 Emergency Protective Measures	97.036	D20-712	-	41,738	41,738	-	1,2,3
		CFDA 97.036 Total	-	55,796	55,796	-	
<b>Department of Homeland Security/Washington State Military Department</b>							
<u>Emergency Management Performance Grants</u>							
Emergency Management Performance Grant	97.042	E20-111	-	25,223	25,223	-	1,2,3
Emergency Management Performance Grant	97.042	E21-126	-	10,042	10,042	-	1,2,3
		CFDA 97.042 Total	-	35,265	35,265	-	
<b>Department of Homeland Security/King County</b>							
<u>Preparing For Emerging Threats and Hazards</u>							
Complex Coordinated Terrorist Attack (CCTA) Training & Exercise Program	97.133	EMW-2016-GR-00145-S01	-	481	481	-	1,2,3
		<b>Department of Homeland Security Total</b>	<b>\$0</b>	<b>\$91,541</b>	<b>\$91,541</b>	<b>\$0</b>	
<b>Department of Transportation</b>							
<b>Highway Planning and Construction Cluster</b>							
<u>Department of Transportation/Washington State DOT</u>							
228th Street, 35th to 39th	20.205	STPUL-2570(012)	-	36,189	36,189	-	1,2,3
7th Ave SE/88th Ave NE Non-Motorized Improvements	20.205	HLP-SR17(013)	-	312,171	312,171	-	1,2,3
Beardslee Blvd Widening	20.205	STPUL-2458(003)	-	4,746	4,746	-	1,2,3
Bothell Way Widening - 240th to Reder	20.205	STPUL-9999(045)	-	52,570	52,570	-	1,2,3
NE 188th St Non-Motorized Improvements	20.205	SRTS-0110(015)	-	580,485	580,485	-	1,2,3
Non-Motorized Bridge over Sammamish River	20.205	CM-0110(013)	-	987,861	987,861	-	1,2,3
North Creek Trail - Section 4	20.205	CM-0110(014)	-	271,039	271,039	-	1,2,3
Sammamish River Bridge Seismic Retrofit	20.205	BHM-2201(009)	-	331,580	331,580	-	1,2,3
		<b>Highway Planning &amp; Construction Cluster Total</b>	<b>\$0</b>	<b>\$2,576,642</b>	<b>\$2,576,642</b>	<b>\$0</b>	
<b>Highway Safety Cluster</b>							
<u>Department of Transportation/Washington Traffic Safety Commission</u>							
<u>State &amp; Community Highway Safety</u>							
Distracted Driving Emphasis Patrols	20.600	NA	-	1,764	1,764	-	1,2,3
Target Zero Emphasis Program	20.600	NA	-	808	808	-	1,2,3
		CFDA 20.600 Total	\$0	\$2,572	\$2,572	\$0	
<u>National Priority Safety Programs</u>							
Motorcycle Safety Program	20.616	NA	-	1,947	1,947	-	1,2,3
		<b>Highway Safety Cluster Total</b>	<b>\$0</b>	<b>\$4,519</b>	<b>\$4,519</b>	<b>\$0</b>	
		<b>Department of Transportation Totals</b>	<b>\$0</b>	<b>\$2,581,161</b>	<b>\$2,581,161</b>	<b>\$0</b>	
<b>Department of the Treasury</b>							
<u>Department of the Treasury / Snohomish County</u>							
COVID-19 Coronavirus Relief Fund	21.019	NA	-	70,000	70,000	70,000	1,2,3
<u>Department of the Treasury / Washington Administrative Office of the Courts</u>							
COVID-19 Coronavirus Relief Fund	21.019	NA	-	1,026	1,026	-	1,2,3
<u>Department of the Treasury / Washington State Department of Commerce</u>							
COVID-19 Coronavirus Relief Fund	21.019	20-6541C-120	-	2,103,750	2,103,750	-	1,2,3
		<b>Department of the Treasury Totals</b>	<b>\$0</b>	<b>\$2,174,776</b>	<b>\$2,174,776</b>	<b>\$70,000</b>	
		<b>Total Federal Awards Expended</b>	<b>\$0</b>	<b>\$4,847,478</b>	<b>\$4,847,478</b>	<b>\$70,000</b>	

**Note 1 - Basis of Accounting**

This schedule is prepared on the same basis of accounting as the City's financial statements. The City uses full accrual basis of accounting in government-wide financials and modified accrual basis in governmental fund financials.

**Note 2 - Federal De Minimis Indirect Cost Rate**

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 3 - Program Costs**

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The accompanying notes are an integral part of this schedule.

**Schedule 15**  
**Schedule of State and Local Financial Assistance**  
**For the Year Ended December 31, 2020**

Grantor/Pass Through Grantor Program Title	BARS Account Number	Other Identification Number	Current Year Expenditures
<b>4Culture (Cultural Development Authority of King County)</b>			
2020 Creative Consultants	337.07.04	120564A	7,000
Arts Sustained Support	337.07.04	120114A	5,500
Combined Equipment (Portable Stage System)	337.07.04	119852A	6,680
Preservation Special Projects - Bothell Register of Historic Landmark Nominations	337.07.04	119575P	3,000
Preservation Sustained Support	337.07.04	120534P	5,000
<b>4Culture Total</b>			<b>27,180</b>
<b>King County</b>			
35th Ave SE Drainage Improvements	337.07.00	N/A	199,541
Blyth Park Sediment Control Project	337.07.00	N/A	130,091
Local Hazardous Waste Management Program	337.07.00	4004EHS	8,163
Response Awareness, De-Escalation, & Referral (RADAR) Program	337.07.00	N/A	161,852
Waste Reduction & Recycling	337.07.00	6059942	29,161
(COVID-19) Coronavirus Relief Fund for Local Governments*	337.07.00	CD-PSB-EDC-006	43,633
<b>King County Total</b>			<b>572,442</b>
<b>Sound Transit</b>			
SR522 Multi-Modal Corridor	337.00.00	GA 0259-18	12,049,642
<b>Sound Transit Total</b>			<b>12,049,642</b>
<b>Washington Association of Sheriffs/Police Chiefs</b>			
Denied Firearm Transaction Program	334.01.70	NA	2,100
<b>Washington Association of Sheriffs/Police Chiefs Total</b>			<b>2,100</b>
<b>Washington State Administrative Office of the Courts</b>			
Legal Financial Obligation (LFO)	334.01.20	NA	480
<b>Washington State Administrative Office of the Courts Total</b>			<b>480</b>
<b>Washington State Department of Commerce</b>			
Canyon Park Regional Growth Subarea Plan	334.04.20	20-63316-001	308,363
E2SHB 1923 Grant (Affordable Housing)	334.04.20	20-63314-004	18,927
<b>Washington State Department of Commerce Total</b>			<b>327,290</b>
<b>Washington State Department of Ecology</b>			
Local Source Control Partnership	334.03.10	C2000012	73,514
Toxics Cleanup Remedial Action Grant - Bothell Landing	334.03.10	TCpra-2015-BothPW-00002	9,227
Toxics Cleanup Remedial Action Grant - Bothell Service Center	334.03.10	TCpra-1921-BothPW-00011	486,089
Toxics Cleanup Remedial Action Grant - Former Riverside	334.03.10	TCpra-2015-BothPW-00025	60,269
Toxics Cleanup Remedial Action Grant - Ultra	334.03.10	TCpra-2015-BothPW-00039	166,070
Waste 2 Resources Local Solid Waste Financial Assistance (LSWFA)	334.03.10	SWMLSWFA-2019-BothPW-00086	6,380
Water Quality Stormwater Capacity	334.03.10	WQSWCAP-1921-BothPW-00023	50,000
<b>Washington State Dept of Ecology Total</b>			<b>851,548</b>
<b>Washington State Department of Health</b>			
EMS Prehospital Participation Grant	334.04.90	SFY20	1,260
<b>Washington State Dept of Health Total</b>			<b>1,260</b>
<b>Washington State Recreation &amp; Conservation Office (RCO)</b>			
Non-Motorized Bridge over Sammamish River	334.02.70	18-1355D	602,566
<b>Washington State RCO Total</b>			<b>602,566</b>
<b>Washington State Transportation Improvement Board</b>			
TIB Complete Streets Award	334.03.80	C-P-114(002)-1	473,179
<b>Washington State Transportation Improvement Board Total</b>			<b>473,179</b>
<b>Total State &amp; Local Financial Assistance for 2020</b>			<b>\$14,907,687</b>

**Note 1 - Basis of Accounting**

This schedule is prepared on the same basis of accounting as the City's financial statements. The City uses full accrual basis of accounting in government-wide financials and modified accrual basis in governmental fund financials.

**Note 2 - Program Costs**

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

\*Personal protective equipment (PPE) with a fair market value of \$29,930 (unaudited) is being donated to local businesses as part of the Coronavirus Relief Grant from King County.

The accompanying notes are an integral part of this schedule.

**General Obligation LIFT Bond 2014  
December 31, 2020**

<b>Year Ended December 31, 2020</b>	<b>Interest Rate</b>	<b>Interest</b>	<b>Principal</b>	<b>Total Debt Service</b>
2021		1,200,650	795,000	1,995,650
2022		1,163,875	835,000	1,998,875
2023		1,121,125	875,000	1,996,125
2024		1,076,250	920,000	1,996,250
2025		1,029,125	965,000	1,994,125
2026-2030		4,349,250	5,630,000	9,979,250
2031-2035		2,750,000	7,230,000	9,980,000
2036-2039		1,267,000	7,240,000	8,507,000
<b>Total</b>	<b>2.0-5.0%</b>	<b>\$ 13,957,275</b>	<b>\$ 24,490,000</b>	<b>\$ 38,447,275</b>

**General Obligation Bonds 2013 B**  
**December 31, 2020**

<b>Year Ended December 31, 2020</b>	<b>Interest Rate Range</b>	<b>Interest</b>	<b>Principal</b>	<b>Total Debt Service</b>
2021		271,013	425,000	696,013
2022		258,263	440,000	698,263
2023		245,063	450,000	695,063
2024		227,063	470,000	697,063
2025		208,263	490,000	698,263
2026-2030		754,113	1,590,000	2,344,113
2031-2033		242,063	3,075,000	3,317,063
<b>Total</b>	<b>0.60-4.5%</b>	<b>\$ 2,205,839</b>	<b>\$ 6,940,000</b>	<b>\$ 9,145,840</b>



**Utility Revenue Bond 2014  
December 31, 2020**

<b>Year Ended December 31, 2020</b>	<b>Interest Rate</b>	<b>Interest</b>	<b>Principal</b>	<b>Total Debt Service</b>
2021		531,719	780,000	1,311,719
2022		492,719	815,000	1,307,719
2023		451,969	855,000	1,306,969
2024		409,219	900,000	1,309,219
2025		364,219	945,000	1,309,219
2026-2030		1,293,169	5,260,000	6,553,169
2031-2034		415,531	4,825,000	5,240,531
<b>Total</b>	<b>2.63-5.0%</b>	<b>\$ 3,958,546</b>	<b>\$ 14,380,000</b>	<b>\$ 18,338,545</b>

**Public Works Trust Fund Loan  
PC12-951-022  
December 31, 2020**

<b>Year Ended December 31, 2020</b>	<b>Interest Rate</b>	<b>Interest</b>	<b>Principal</b>	<b>Total Debt Service</b>
2021	0.25%	12,296	447,123	459,419
2022	0.25%	11,178	447,123	458,301
2023	0.25%	10,060	447,123	457,183
2024	0.25%	8,942	447,123	456,065
2025	0.25%	7,825	447,123	454,948
2026-2030	0.25%	22,356	2,235,615	2,257,971
2031	0.25%	1,118	447,123	448,241
<b>Total</b>		<b>\$ 73,777</b>	<b>\$ 4,918,354</b>	<b>\$ 4,992,130</b>

**Public Works Trust Fund Loan  
Horse Creek PC13-961-060  
December 31, 2020**

<b>Year Ended December 31, 2020</b>	<b>Interest Rate</b>	<b>Interest</b>	<b>Principal</b>	<b>Total Debt Service</b>
2021	0.25%	1,365	45,516	46,881
2022	0.25%	1,252	45,516	46,768
2023	0.25%	1,138	45,516	46,654
2024	0.25%	1,024	45,516	46,540
2025	0.25%	910	45,516	46,426
2026-2030	0.25%	2,845	227,581	230,425
2031-2032	0.25%	341	91,032	91,374
<b>Total</b>		<b>\$ 8,874</b>	<b>\$ 546,193</b>	<b>\$ 555,068</b>

**City Hall Lease Revenue Bonds**  
**December 31, 2020**

<b>Year Ended December 31, 2020</b>	<b>Interest Rate Range</b>	<b>Interest</b>	<b>Principal</b>	<b>Total Debt Service</b>
2021	5.0%	1,813,844	1,510,000	3,323,844
2022	5.0%	1,737,594	1,590,000	3,327,594
2023	5.0%	1,658,468	1,665,000	3,323,468
2024	5.0%	1,575,427	1,750,000	3,325,427
2025	3.6-5%	1,487,552	1,840,000	3,327,552
2026-2030	3.6-3.9%	6,068,143	10,560,000	16,628,143
2031-2035	4.0%	3,923,878	12,705,000	16,628,878
2036-2039	4.0%	953,866	12,075,000	13,028,866
<b>Total</b>		<b>\$ 19,218,771</b>	<b>\$ 43,695,000</b>	<b>\$ 62,913,773</b>

**Snohomish County Public Works Assistance Loan**  
**December 31, 2020**

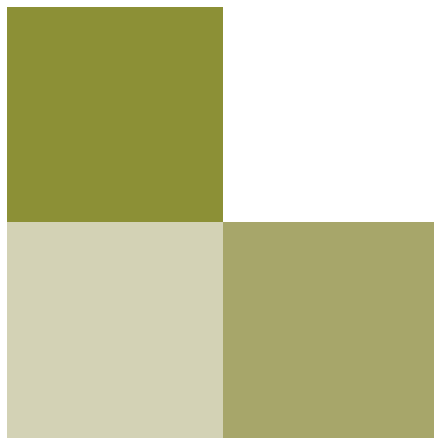
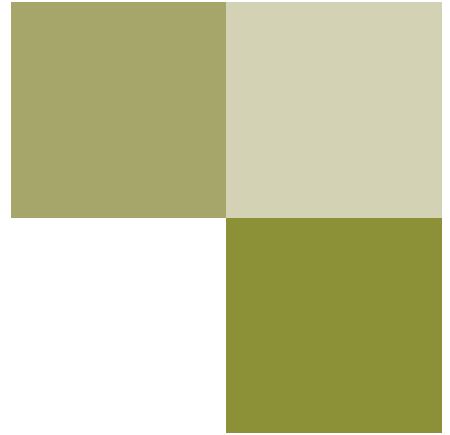
<b>Year Ended December 31, 2020</b>	<b>Interest Rate Range</b>	<b>Interest</b>	<b>Principal</b>	<b>Total Debt Service</b>
2021	1.50%	1,362	12,970	14,332
2022	1.50%	1,167	12,970	14,137
2023	1.50%	973	12,970	13,942
2024	1.50%	778	12,970	13,748
2025	1.50%	584	12,970	13,553
2026-2027	1.50%	584	25,940	26,523
<b>Total</b>		<b>\$ 5,448</b>	<b>\$ 90,788</b>	<b>\$ 96,237</b>

**General Obligation Public Safety Bonds 2019**  
**December 31, 2020**

<b>Year Ended December 31, 2020</b>	<b>Interest Rate</b>	<b>Interest</b>	<b>Principal</b>	<b>Total Debt Service</b>
2021		847,050	780,000	1,627,050
2022		808,050	820,000	1,628,050
2023		767,050	860,000	1,627,050
2024		724,050	905,000	1,629,050
2025		678,800	950,000	1,628,800
2026-2030		2,633,000	5,505,000	8,138,000
2031-2035		1,515,750	6,625,000	8,140,750
2036-2039		460,500	6,050,000	6,510,500
<b>Total</b>	<b>3.0-5.0%</b>	<b>\$ 8,434,250</b>	<b>\$ 22,495,000</b>	<b>\$ 30,929,250</b>



City of Bothell<sup>TM</sup>



**STATISTICAL  
INFORMATION**



# TABLE OF CONTENTS

This part of the City of Bothell’s comprehensive annual financial report presents detailed data as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<p><b>1-4</b> <b>Financial Trends</b></p> <p>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</p>	<p><b>5-10</b> <b>Revenue Capacity</b></p> <p>These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property and sales taxes.</p>
<p><b>11-16</b> <b>Debt Capacity</b></p> <p>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</p>	<p><b>17-18</b> <b>Demographic &amp; Economic Information</b></p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.</p>
<p><b>19-21</b> <b>Operation Information</b></p> <p>These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.</p>	

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.  
The City implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.*

**Net Position by Component**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$772,845,492	\$746,225,080	\$720,584,679	\$709,089,935	\$677,138,001	\$645,750,647	\$623,606,770	\$598,724,468	\$571,700,385	\$556,090,023
Restricted	9,780,831	7,578,092	12,554,203	15,409,677	17,584,435	25,939,390	22,700,029	28,308,719	31,772,391	32,866,421
Unrestricted	4,879,019	3,614,460	3,262,857	1,729,590	(5,769,209)	(9,553,063)	(6,089,735)	(14,949,438)	(9,884,774)	141,384
<b>Total governmental activities net position</b>	<b>787,505,342</b>	<b>757,417,631</b>	<b>736,401,739</b>	<b>726,229,202</b>	<b>688,953,226</b>	<b>662,136,973</b>	<b>640,217,064</b>	<b>612,083,749</b>	<b>593,588,002</b>	<b>589,097,828</b>
<b>Business-type activities</b>										
Net investment in capital assets	32,660,784	33,185,063	34,892,575	37,917,645	39,266,084	43,249,528	42,785,330	43,768,023	45,672,414	46,215,411
Restricted				1,316,369	1,316,369	1,316,369	1,316,369	1,316,369	1,316,369	1,316,369
Unrestricted	1,771,470	3,074,506	4,531,648	4,435,715	7,451,903	10,476,648	15,245,386	19,288,134	19,777,955	21,136,310
<b>Total business-type activities net position</b>	<b>34,432,254</b>	<b>36,259,569</b>	<b>39,424,223</b>	<b>43,669,729</b>	<b>48,034,356</b>	<b>55,042,545</b>	<b>59,347,085</b>	<b>64,372,526</b>	<b>66,766,738</b>	<b>68,668,090</b>
<b>Primary government</b>										
Net investment in capital assets	805,506,276	779,410,143	755,477,254	747,007,580	716,404,085	689,000,175	666,392,100	642,492,491	617,372,799	602,305,433
Restricted	9,780,831	7,578,092	12,554,203	16,726,046	18,900,804	27,255,759	24,016,398	29,625,088	33,088,760	34,182,790
Unrestricted	6,650,489	6,688,966	7,794,505	6,165,305	1,682,694	923,584	9,155,651	4,338,696	9,893,181	21,277,695
<b>Total primary government net position</b>	<b>\$821,937,596</b>	<b>\$793,677,200</b>	<b>\$775,825,961</b>	<b>\$769,898,931</b>	<b>\$736,987,582</b>	<b>\$717,179,518</b>	<b>\$699,564,149</b>	<b>\$676,456,275</b>	<b>\$660,354,740</b>	<b>\$657,765,918</b>

**Change in Net Position**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses - Governmental activities</b>										
General government	\$9,877,418	\$10,969,744	\$10,073,570	\$22,655,176	\$12,868,567	\$16,501,329	\$16,389,961	\$15,736,695	\$18,481,329	\$18,572,174
Security of persons and property	21,575,204	22,078,983	23,098,903	22,723,613	23,376,244	23,953,206	25,973,285	27,382,168	31,280,308	30,675,844
Physical environment	6,398,497	4,914,790	5,972,811	2,196,908	2,548,539	2,757,415	2,763,405	2,750,098	2,656,681	2,268,331
Transportation	34,044,668	36,833,751	35,896,052	41,362,523	42,686,251	43,696,700	43,851,764	46,463,697	47,442,708	48,788,724
Economic environment	3,298,490	2,860,182	2,882,941	4,770,995	4,067,230	4,318,103	4,028,902	8,577,058	3,493,273	3,323,007
Culture and recreation		1,613,519	2,005,064	1,852,966	2,205,709	2,243,434	2,459,788	2,616,511	2,238,693	1,807,436
Interest on long-term debt	581,295	517,471	686,700	2,064,923	2,756,555	3,063,168	3,502,614	2,948,818	3,536,401	3,966,414
<b>Total governmental activities</b>	<b>75,775,571</b>	<b>79,788,440</b>	<b>80,616,039</b>	<b>97,627,104</b>	<b>90,509,095</b>	<b>96,533,353</b>	<b>98,969,719</b>	<b>106,475,044</b>	<b>109,129,394</b>	<b>109,401,930</b>
<b>Business-type activities</b>										
Water	3,708,205	3,369,337	3,947,670	4,045,439	4,471,061	4,312,430	4,855,578	4,862,936	5,445,506	5,399,995
Sewer	5,454,241	4,976,045	5,136,854	5,865,582	6,045,555	6,331,025	6,986,948	7,088,546	8,084,249	8,006,728
Storm & Surface Water	2,864,914	2,938,653	2,985,040	3,793,237	4,099,932	4,462,068	5,418,301	5,696,172	5,789,406	5,526,694
<b>Total business-type activities</b>	<b>12,027,360</b>	<b>11,284,035</b>	<b>12,069,565</b>	<b>13,704,258</b>	<b>14,616,548</b>	<b>15,105,523</b>	<b>17,260,827</b>	<b>17,647,653</b>	<b>19,319,161</b>	<b>18,933,417</b>
<b>Total primary government expenses</b>	<b>\$87,802,932</b>	<b>\$91,072,475</b>	<b>\$92,685,604</b>	<b>\$111,331,362</b>	<b>\$105,125,643</b>	<b>\$111,638,876</b>	<b>\$116,230,546</b>	<b>\$124,122,697</b>	<b>\$128,448,556</b>	<b>\$128,335,347</b>
<b>Program Revenues - Governmental activities</b>										
Charges for services										
General government	\$4,810,917	\$4,841,692	\$5,795,890	\$4,949,225	\$7,083,683	\$9,956,908	\$6,978,338	\$8,099,979	\$7,453,082	\$5,456,331
Security of persons and property	2,273,740	2,663,755	3,243,837	3,368,962	4,456,563	4,392,999	5,317,863	5,720,408	6,584,362	6,257,028
Physical environment	1,376,855	2,078,244	1,352,480	937,303	933,754	986,097	1,393,217	1,345,692	1,866,979	1,579,171
Transportation	607,870	1,818,764	349,447	268,215	1,375,389	1,896,846	1,747,125	1,299,326	439,050	356,242
Economic environment	1,338,169	1,961,284	4,218,724	4,176,516	3,924,331	5,406,921	6,355,160	9,395,950	5,421,780	5,495,605
Culture and recreation	457,981	268,711	266,648	288,713	354,039	280,506	294,786	310,346	287,188	446,226
Operating grants and contributions	360,152	969,659	1,566,336	541,291	364,737	334,328	337,028	466,712	1,427,294	5,512,318
Capital grants and contributions	10,650,614	4,324,101	11,102,307	8,153,286	4,451,573	8,684,810	9,679,544	7,261,623	10,305,181	17,511,896
<b>Total governmental activities program revenues</b>	<b>21,876,297</b>	<b>18,926,210</b>	<b>27,895,669</b>	<b>22,683,511</b>	<b>22,944,069</b>	<b>31,939,415</b>	<b>32,103,061</b>	<b>33,900,036</b>	<b>33,784,916</b>	<b>42,614,817</b>
<b>Business-type activities</b>										
Charges for services										
Water	3,210,573	3,656,582	4,371,380	4,247,227	6,053,287	5,722,568	5,686,533	5,723,140	5,873,078	5,335,881
Sewer	5,012,251	5,639,707	6,088,614	6,601,973	7,556,241	7,998,203	7,879,956	8,284,176	8,338,855	8,039,850
Storm & Surface Water	2,927,059	3,645,575	4,255,802	5,147,336	5,462,436	6,284,605	6,269,635	7,732,189	7,366,017	6,666,354
Operating grants and contributions						149,637	568,848	114,516	113,714	61,232
Capital grants and contributions	241,500	164,800	501,000	1,951,300	1,105,654	1,923,454	1,093,277	738,591	426,278	1,125,953
<b>Total business-type activities program revenue</b>	<b>11,391,383</b>	<b>13,106,664</b>	<b>15,216,797</b>	<b>17,947,836</b>	<b>20,177,618</b>	<b>22,078,467</b>	<b>21,498,249</b>	<b>22,592,612</b>	<b>22,117,943</b>	<b>21,229,270</b>
<b>Total primary government program revenues</b>	<b>\$33,267,680</b>	<b>\$32,032,874</b>	<b>\$43,112,466</b>	<b>\$40,631,347</b>	<b>\$43,121,687</b>	<b>\$54,017,882</b>	<b>\$53,601,310</b>	<b>\$56,492,648</b>	<b>\$55,902,858</b>	<b>\$63,844,088</b>
<b>Net (Expense)/Revenue</b>										
Government activities	(\$53,899,274)	(\$60,862,229)	(\$52,720,370)	(\$74,943,593)	(\$67,565,026)	(\$64,593,938)	(\$66,866,658)	(\$72,575,008)	(\$75,344,479)	(\$66,787,113)
Business-type activities	(635,977)	1,822,629	3,147,232	4,243,578	5,561,070	6,972,944	4,237,421	4,944,958	2,798,781	2,295,853
<b>Total primary government net expense</b>	<b>(\$54,535,251)</b>	<b>(\$59,039,600)</b>	<b>(\$49,573,138)</b>	<b>(\$70,700,015)</b>	<b>(\$62,003,956)</b>	<b>(\$57,620,994)</b>	<b>(\$62,629,237)</b>	<b>(\$67,630,049)</b>	<b>(\$72,545,697)</b>	<b>(\$64,491,259)</b>
<b>General Revenue and Other Changes in Net Position</b>										
Governmental activities										
Taxes										
Property tax	10,963,812	11,128,474	12,506,112	15,501,155	12,402,051	12,644,299	17,417,803	17,500,847	23,179,428	25,777,074
Sales taxes										16,419,635
Excise tax	9,960,281	10,341,621	11,071,149	12,889,402	17,053,937	16,804,847	18,610,037	21,868,524	23,107,676	4,688,954
Business tax	6,795,259	6,972,159	6,759,484	7,945,069	7,686,370	7,659,567	7,315,916	7,560,793	7,570,286	7,421,594
Unrestricted grants and contributions									0	
Investment earnings	310,195	512,991	164,714	116,931	441,188	229,685	504,584	740,880	1,448,679	1,051,689
Special item				23,858,356					0	
Miscellaneous	516,090	540,813	1,033,726	4,682,318	438,912	439,287	1,098,410	793,665	785,683	410,338
Transfers			(17,422)		37,103				412,566	406,612
<b>Total governmental activities</b>	<b>28,545,636</b>	<b>29,496,058</b>	<b>31,517,764</b>	<b>64,993,231</b>	<b>38,059,561</b>	<b>37,777,685</b>	<b>44,946,749</b>	<b>48,464,709</b>	<b>56,504,319</b>	<b>56,175,896</b>
<b>Business-type activities</b>										
Investment earnings	1,350	4,685		1,928	20,233	35,244	67,119	80,482	7,998	12,110
Miscellaneous										
Transfers			17,422		(37,103)	0			(412,566)	(406,612)
<b>Total business-type activities</b>	<b>1,350</b>	<b>4,685</b>	<b>17,422</b>	<b>1,928</b>	<b>(16,870)</b>	<b>35,244</b>	<b>67,119</b>	<b>80,482</b>	<b>(404,568)</b>	<b>(394,502)</b>
<b>Total primary government</b>	<b>\$28,546,986</b>	<b>\$29,500,743</b>	<b>\$31,535,186</b>	<b>\$64,995,159</b>	<b>\$38,042,691</b>	<b>\$37,812,929</b>	<b>\$45,013,868</b>	<b>\$48,545,191</b>	<b>\$56,099,750</b>	<b>\$55,781,394</b>
<b>Change in Net Position</b>										
Government activities	(\$25,353,638)	(\$31,366,171)	(\$21,202,606)	(\$9,950,362)	(\$29,505,465)	(\$26,816,253)	(\$21,919,909)	(\$24,110,298)	(\$18,840,160)	(\$10,611,217)
Business-type activities	(634,627)	1,827,315	3,164,654	4,245,507	5,544,200	7,008,188	4,304,540	5,025,441	2,394,213	1,901,351
<b>Total primary government</b>	<b>(\$25,988,265)</b>	<b>(\$29,538,856)</b>	<b>(\$18,037,952)</b>	<b>(\$5,704,855)</b>	<b>(\$23,961,265)</b>	<b>(\$19,808,065)</b>	<b>(\$17,615,369)</b>	<b>(\$19,084,858)</b>	<b>(\$16,445,947)</b>	<b>(\$8,709,866)</b>

**Fund Balances of Government Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Reserved										
Unreserved										
Committed	16,750	16,750	16,750	22,250	22,250	22,250	16,750	16,750	16,750	16,750
Restricted	391,930	526,522	602,871	738,694	867,549	1,307,401	967,611	888,584	1,115,298	1,036,822
Assigned	1,711,130	1,711,130	1,711,130	1,711,130	1,711,130	1,711,130	1,711,130	1,711,130	1,711,130	1,711,130
Unassigned	1,587,189	870,296	1,446,023	1,316,482	1,381,675	258,069	6,336,136	7,403,645	7,281,206	11,226,529
Prior Period Adjustment			11,035							
<b>Total general fund</b>	<b>\$3,706,999</b>	<b>\$3,124,698</b>	<b>\$3,787,810</b>	<b>\$3,788,556</b>	<b>\$3,982,604</b>	<b>\$3,298,850</b>	<b>\$9,031,627</b>	<b>\$10,020,108</b>	<b>\$10,124,384</b>	<b>\$13,991,231</b>
All Other Governmental Funds										
Unreserved										
Special revenue funds	\$2,268,368	\$3,916,223	\$4,709,781	\$7,290,304	\$7,392,924	\$8,118,902	\$12,060,158	\$8,268,961	\$12,976,320	\$14,899,958
Debt service funds	55,295	142,231	120,129	29,739	396	(928)	88,030			3,626
Capital projects funds	7,065,239	2,976,365	6,917,958	7,594,931	9,307,244	13,883,596	2,990,654	6,607,931	31,878,836	29,654,634
Permanent funds				16,321	16,321	16,321	16,321	16,321	16,321	16,321
Restricted	9,388,902	7,034,819	11,747,868	14,914,974	16,700,564	22,001,569	15,138,842	1,808,681		
Committed	68,153	67,692	67,692	67,692	67,692	67,692	67,692	67,692	67,692	67,692
Prior Period Adjustment			175,679	(222,175)						
<b>Total all other governmental funds</b>	<b>\$9,457,055</b>	<b>\$7,102,511</b>	<b>\$11,991,239</b>	<b>\$14,776,812</b>	<b>\$16,784,577</b>	<b>\$22,085,583</b>	<b>\$15,222,856</b>	<b>\$16,769,586</b>	<b>\$44,939,169</b>	<b>\$44,642,231</b>

**Note:** Prior year amounts have not been restated for the implementation of Statement 54.

**Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes	\$27,719,352	\$28,442,253	\$30,413,113	\$34,443,409	\$36,521,449	\$36,673,875	\$43,325,131	\$47,036,991	\$52,443,307	54,085,349
Licenses and permits	1,081,549	1,761,220	2,953,512	2,837,610	3,404,797	4,055,011	4,008,628	5,060,444	4,322,553	4,184,515
Intergovernmental	13,700,129	8,015,234	11,647,160	8,816,626	6,226,412	9,996,150	11,516,083	8,706,558	11,555,943	22,361,704
Charges for services	4,703,004	6,467,279	9,037,134	9,137,788	9,121,997	10,872,110	11,826,883	15,231,494	13,467,041	11,634,391
Fines and forfeitures	387,550	421,304	381,258	371,011	377,964	406,083	356,979	323,931	217,375	227,126
Interest earnings	306,511	509,634	162,427	115,776	113,568	245,754	477,436	712,123	1,448,679	1,051,689
Proceeds from the sale of capital assets										
Contributions	50,930	45,605	890,862	397,021	49,271	604,887	540,930	103,840	162,978	98,566
Other revenue	445,398	435,486	330,305	2,560,223	443,354	393,242	943,349	705,094	575,223	374,168
Total revenues	48,394,423	46,098,016	55,815,771	58,679,464	56,258,812	63,247,111	72,995,419	77,880,476	84,193,100	94,017,510
<b>Expenditures</b>										
General government	8,702,807	8,248,283	8,651,252	8,134,152	9,024,948	10,318,936	11,528,616	12,204,936	13,111,650	14,118,876
Security of persons and property	19,958,652	20,292,352	20,829,840	22,072,891	23,695,773	23,474,573	26,548,790	28,132,684	32,111,619	29,993,936
Transportation	1,732,338	1,725,232	1,688,875	5,449,765	5,960,100	6,936,056	7,044,039	7,789,025	8,696,864	7,554,802
Physical environment	4,183,070	4,185,398	3,450,807	20,409	20,455	48,026	18,330	22,471	18,746	20,006
Cultural environment			1,334,713	1,535,044	1,720,662	1,609,254	1,886,405	6,197,131	2,379,754	4,803,581
Economic environment	2,864,765	2,860,182	2,882,941	4,391,995	3,696,718	3,997,153	4,257,381	2,081,195	4,668,988	1,949,038
Bond issue costs	41,603	170,753	125,039	311,422	1,577				248,666	
Debt service										
Interest	539,692	517,471	686,700	1,753,501	1,767,419	3,222,695	2,222,123	2,057,011	2,912,461	3,757,176
Principal	23,301,611	11,272,161	5,258,421	31,479,922	1,460,527	2,172,123	3,688,178	3,135,235	3,474,153	4,279,507
Other expenditures	28,645	2,436	10,474	21,136	1,959	1,200	853			(707)
Capital outlay	16,982,124	12,124,363	21,441,381	13,477,686	58,858,361	15,878,284	18,113,770	13,731,986	13,823,912	23,843,114
Total expenditures	78,335,307	61,398,630	66,360,442	88,647,923	106,208,500	67,658,300	75,308,485	75,351,672	81,446,811	90,319,330
Excess of revenue over (under) expenditures	(29,940,884)	(15,300,615)	(10,544,671)	(29,968,459)	(49,949,688)	(4,411,189)	(2,313,066)	2,528,804	2,746,289	3,698,179
<b>Other Financing Sources (Uses)</b>										
Refunding bonds issued										
Premium on refunding bonds										
Bond anticipation note	30,000,000	6,550,000								
2013 GO bonds			9,665,000							
2013 GO bond premium			455,236							
LIFT GO bonds				28,210,000						
LIFT GO bond premium				2,137,096						
Capital lease					51,475,433					
Proceeds from sales of capital assets		4,607,525	15,088	1,800,000	761,483	9,337,640	1,431,042			30,000.00
Public safety bonds									23,235,000	
Public safety bond premium									2,519,362	
Loan proceeds			5,953,936	1,819,279	226,786		39,450	16,092	54,388	
Transfers in	2,348,144	2,406,488	1,889,311	2,052,217	2,609,009	5,840,299	13,632,421	8,742,180	7,299,099	6,521,608
Transfers out	(1,931,044)	(2,478,701)	(2,068,775)	(3,041,638)	(2,921,209)	(6,149,499)	(13,919,797)	(8,751,865)	(7,924,691)	(6,679,879)
Total other financing sources uses	30,417,100	11,085,311	15,909,796	32,976,954	52,151,501	9,028,440	1,183,115	6,408	25,183,157	(128,270)
<b>Net change in fund balances</b>	<b>\$476,216</b>	<b>(\$4,215,304)</b>	<b>\$5,365,125</b>	<b>\$3,008,495</b>	<b>\$2,201,813</b>	<b>\$4,617,251</b>	<b>(\$1,129,950)</b>	<b>\$2,535,212</b>	<b>\$27,929,446</b>	<b>3,569,909</b>
Debt service as a percentage of noncapital expenditures	38.9%	23.9%	13.2%	44.2%	6.8%	10.4%	10.3%	8.4%	9.4%	12.1%

**Assessed Value of Taxable Property  
Last Ten Fiscal Years**

<b>Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate*</b>
2011	5,170,948,110	1,166,946,298	6,337,894,408	1.49
2012	4,765,234,231	1,142,409,091	5,907,643,322	1.62
2013	4,788,399,900	1,016,236,063	5,804,635,963	1.67
2014	5,226,252,184	902,744,249	6,128,996,433	1.60
2015	6,756,976,860	894,227,150	7,651,204,010	1.50
2016	7,223,612,278	1,072,446,159	8,296,058,437	1.43
2017	8,097,355,849	686,091,405	8,783,447,254	1.90
2018	9,214,882,284	686,001,760	9,900,884,044	1.64
2019	10,697,535,110	717,738,564	11,415,273,674	1.91
2020	11,745,358,170	640,542,155	12,385,900,325	1.96

Source: King and Snohomish County Assessors Office

Note: \*Tax rate is per \$1,000 of assessed value Real and personal property have been assessed at 100% of the estimated value.

**Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years**

City Direct Rates						Overlapping Tax Rates - King County											
Year	Regular Levy	Street Levy	GO Bond	Public Safety Levy	Total Direct Rate	WA State	King County	School District	County Port	Hospital District	Library	Emergency Medical Services	Park/Rec District	Flood District	Ferry District	RTA	Total Direct & Overlapping Rate
2011	1.37		0.12		1.49	2.28	1.34	4.60	.22	.48	.57	.30	.15	.11	.004		11.55
2012	1.48		0.13		1.62	2.42	1.42	4.75	.23	.49	.57	.30	.02	.12	.004		11.94
2013	1.54		0.13		1.67	2.57	1.54	5.30	.23	.52	.57	.30	.02	.13	.004		12.85
2014	1.49		0.11		1.60	2.38	1.52	4.93	.22	.47	.56	.29	.02	.15	.003		12.13
2015	1.41		0.09		1.50	2.29	1.35	4.44	.19	.40	.50	.30	.01	.14			11.12
2016	1.33		0.10		1.43	2.17	1.48	4.22	.17	.38	.48	.28	.01	.13			10.75
2017	1.29	0.50	0.11		1.90	2.03	1.39	4.01	.15	.36	.45	.26	.01	.12		.25	10.93
2018	1.18	0.46			1.64	2.92	1.33	3.66	.14	.33	.41	.24	.01	.11		.23	11.02
2019	1.02	0.46		0.43	1.91	2.63	1.22	3.49	.12	.29	.37	.22	.01	.10		.21	10.57
2020	1.02	0.40	0.13	0.41	1.96	3.03	1.24	3.55	.12	.28	.36	.27	.05	.09		.20	11.14

City Direct Rates						Overlapping Tax Rates - Snohomish County											
Year	Regular Levy	Street Levy	GO Bond	Public Safety Levy	Total Direct Rate	WA State	Snohomish County	School District	County Port	Hospital District	Library	Emergency Medical Services	Park/Rec District	Flood District	Ferry District	RTA	Total Direct & Overlapping Rate
2011	1.37		0.12		1.49	2.21	0.87	4.60		.15	.57	.21	.02				10.11
2012	1.48		0.13		1.62	2.38	0.98	4.75		.11	.50	.30	.02				10.65
2013	1.54		0.13		1.67	2.43	1.08	5.30		.11	.57	.30	.02				11.47
2014	1.49		0.11		1.60	2.38	1.08	4.93			.56	.29	.02				10.85
2015	1.41		0.09		1.50	2.28	1.00	4.44			.50	.27	.01				10.00
2016	1.33		0.10		1.43	2.12	0.93	4.22		.09	.48	.26	.01				9.55
2017	1.29	0.50	0.11		1.90	2.03	0.88	4.01			.45	.25	.01			.25	9.78
2018	1.18	0.46			1.64	2.85	0.79	3.66			.42	.33	.01			.23	9.93
2019	1.02	0.46		0.43	1.91	2.57	0.72	3.49			.37	.30	.01			.21	9.58
2020	1.02	0.40	0.13	0.41	1.96	2.87	0.67	3.55		.06	.36	.28	.05			.20	10.00

The combined property tax rate excluding excess levies cannot exceed \$10 per \$1,000 of assessed value

The rates presented above include excess levies

Source: King and Snohomish County Assessors Office

Note: The City of Bothell is split equally between King and Snohomish Counties

Principal Property Taxpayers  
Current and Ten Years Ago

Snohomish County Taxpayers				2020	2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation		Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Canyon Park Owner	117,916,500	1	2.26%				
Seattle Genetics Inc	95,422,144	2	1.82%				
Philips Ultrasound Inc	90,405,004	3	1.73%		82,843,939	3	2.70%
BRE Properties Inc	85,760,000	4	1.64%		54,571,000	6	1.78%
LIPT 27th Ave SE LLC	77,000,000	5	1.47%				
Essex Portfolio LP	63,750,000	6	1.22%				
CIO Canyon Park LP	52,756,600	7	1.01%				
ALCO Canyon Park East LLC	49,782,400	8	0.95%				
EQR-Fanwell	49,440,000	9	0.95%				
DS Canyon Park LP	48,910,000	10	0.94%				
Monte Villa Farms LLC					37,455,035	8	1.22%
Arden Realty Inc/Thompson Prop Tax Svc					130,932,000	1	4.26%
Teachers Insurance & Annuity Assn					125,993,200	2	4.10%
AT&T Mobility LLC					61,017,848	4	1.99%
Diamond Canyon Park LLC					31,937,000	10	1.04%
Immunex Mfg Corp					33,685,800	9	1.10%
LBA Realty/Thompson Prop Tax Service							0.00%
T-Mobile USA Inc					58,802,126	5	1.91%
Microsoft					48,881,808	7	1.59%
Stonemeadow Farm Apartments Inc							
Total Assessed Valuation - Largest Taxpayers	731,142,648		13.98%		666,119,756		21.67%
Total Assessed Valuation - All Other	4,497,553,913		86.02%		2,407,355,268		78.33%
<b>Total Assessed Value</b>	<b>\$5,228,696,561</b>		<b>100.00%</b>		<b>\$3,073,475,024</b>		<b>100.00%</b>

King County Taxpayers				2020	2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation		Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Village at Beardslee (formerly Gateway Apartments LLC)	168,124,400	1	2.35%				
Grosvenor International Ltd (formerly Schnitzer West)	167,829,381	2	2.34%				
DP Bothell TIC 1 LLC	156,102,000	3	2.18%				
AT&T Mobility LLC	\$201,749,158	4	2.82%				
Boulevard Place Senior Living	77,589,000	5	1.08%				
Belcorp Holdings Inc.	77,495,000	6	1.08%				
Essex Property Trust	55,609,000	7	0.78%		26,000,000	7	0.61%
Willina LLC	54,936,000	8	0.77%				
MSPT X LLC	53,486,000	9	0.75%				
North Creek Facility LLC	51,419,100	10	0.72%				
Puget Sound Energy					20,803,468	9	0.64%
T-Mobile					245,707,481	1	7.53%
Schnitzer Northwest					147,997,500	2	4.53%
Seattle Times					75,126,271	3	2.30%
Arden Realty Inc. (formerly Allstate Ins.)					40,000,000	5	1.23%
Tishman Speyer Archstone-SM					31,826,000	4	0.97%
KPS Realty					31,453,300	6	0.96%
Archstone Communities Trust					26,638,400	8	0.80%
S/I North Creek VIII LLC					20,064,038	10	0.61%
Total Assessed Valuation - Largest Taxpayers	1,064,339,039		14.87%		665,616,458		20.39%
Total Assessed Valuation - All Other	6,092,864,725		85.13%		2,598,802,926		79.61%
<b>Total Assessed Value</b>	<b>\$7,157,203,764</b>		<b>100.00%</b>		<b>\$3,264,419,384</b>		<b>100.00%</b>

Sources: Snohomish County Assessor

King County Levy Administration

Note: City of Bothell is split between Snohomish and King Counties



**Property Tax Levies and Collections  
Last Ten Fiscal Years**

King County						
Year	Taxes Levied for the Year	Collected Within the Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2011	4,837,689	4,793,177	99.08%	54,797	4,793,177	99.08%
2012	5,015,207	4,903,054	97.76%	52,236	4,903,054	97.76%
2013	5,006,353	4,963,964	99.15%	35,007	4,963,964	99.15%
2014	4,950,243	4,885,341	98.69%	23,369	4,885,341	98.69%
2015	6,476,342	6,417,340	99.09%	48,409	6,417,340	99.09%
2016	6,791,598	6,759,635	99.53%	59,764	6,759,635	99.53%
2017	9,606,199	9,504,190	98.94%	103,042	9,504,190	98.94%
2018	9,380,133	9,333,878	99.51%	97,801	9,333,878	99.51%
2019	12,781,677	12,745,813	99.72%	66,421	12,745,813	99.72%
2020	14,021,669	13,716,250	97.82%		13,716,250	97.82%

Snohomish County						
Year	Taxes Levied for the Year	Collected Within the Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2011	5,234,385	5,159,574	98.57%	57,271	5,216,580	99.66%
2012	5,331,158	5,260,360	98.67%	74,575	5,330,471	99.99%
2013	5,470,860	5,416,398	99.00%	21,073	5,437,271	99.39%
2014	5,678,750	5,629,993	99.14%	53,496	5,683,354	100.00%
2015	5,775,353	5,713,365	98.93%	44,447	5,755,624	99.66%
2016	5,862,819	5,806,545	99.04%	51,481	5,850,287	99.79%
2017	7,760,704	7,704,520	99.28%	89,967	7,706,679	99.30%
2018	8,183,374	8,089,388	98.85%	73,789	8,099,837	98.98%
2019	10,367,079	8,820,992	85.09%	76,059	10,312,297	99.47%
2020	11,770,764	11,606,881	98.61%		11,606,881	98.61%

**Sales Tax Revenue by Category  
Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Retail trade	\$2,679,046	\$2,483,071	\$2,285,820	\$2,459,483	\$2,813,968	\$3,515,580	\$3,253,940	\$3,276,788	\$3,817,433	\$4,457,016
Wholesale trade	914,654	1,247,453	1,133,400	1,231,411	1,152,732	1,003,675	1,012,938	1,072,780	1,108,085	1,431,262
Construction	1,433,788	1,370,608	2,176,732	2,022,908	2,176,682	2,265,917	2,801,526	2,951,610	3,424,461	2,904,677
Information	344,136	545,752	704,458	655,963	589,189	627,239	444,910	377,662	266,864	792,179
Professional, scientific, technical services	534,827	533,135	302,826	371,777	463,557	606,318	629,583	609,313	1,016,751	988,731
Accommodation and food services	724,495	779,264	820,289	904,148	1,058,599	1,416,027	1,246,141	1,206,461	1,364,542	923,134
Real estate, rental, leasing	171,944	166,304	199,154	491,200	570,635	599,020	723,113	605,407	621,072	679,444
Manufacturing	187,089	267,381	260,679	318,465	490,391	461,910	578,907	479,526	507,363	385,803
Admin, supp, remed services	233,104	228,612	240,316	250,973	282,831	317,043	460,863	439,480	640,006	760,434
Other services	278,395	413,643	459,074	495,436	162,927	189,596	175,003	159,424	195,535	171,288
Other	630,764	230,837	668,765	730,573	364,861	446,420	428,507	390,828	442,715	527,160
<b>Total</b>	<b>\$8,132,242</b>	<b>\$8,266,060</b>	<b>\$9,251,513</b>	<b>\$9,932,337</b>	<b>\$10,126,372</b>	<b>\$11,448,745</b>	<b>\$11,755,431</b>	<b>\$11,569,279</b>	<b>\$13,404,827</b>	<b>\$14,021,128</b>

City direct sales tax rate is 0.85%

King County	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Snohomish County	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%

Source: Washington State Department of Revenue

**Direct and Overlapping Sales Tax Rates  
Last Ten Fiscal Years**

King County				
Year	Local	State	Rapid Transit	Total Sales Tax
2011	2.5%	6.5%	.5%	9.5%
2012	2.5%	6.5%	.5%	9.5%
2013	2.5%	6.5%	.5%	9.5%
2014	2.5%	6.5%	.5%	9.5%
2015	2.5%	6.5%	.5%	9.5%
2016	2.5%	6.5%	.5%	9.5%
2017	2.5%	6.5%	1.0%	10.0%
2018	2.5%	6.5%	1.0%	10.0%
2019	2.5%	6.5%	1.0%	10.0%
2020	2.5%	6.5%	1.0%	10.0%

Snohomish County				
Year	Local	State	Rapid Transit	Total Sales Tax
2011	2.5%	6.5%	.5%	9.5%
2012	2.5%	6.5%	.5%	9.5%
2013	2.5%	6.5%	.5%	9.5%
2014	2.5%	6.5%	.5%	9.5%
2015	2.5%	6.5%	.5%	9.5%
2016	2.8%	6.5%	.5%	9.8%
2017	2.8%	6.5%	1.0%	10.3%
2018	2.8%	6.5%	1.0%	10.3%
2019	2.9%	6.5%	1.0%	10.4%
2020	2.9%	6.5%	1.0%	10.4%

Source: Washington State Department of Revenue

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Year	Government Activities			Business-Type Activities				Total Primary Government	Per Capita Income*	Percentage of Personal Income	Population	Debt Per Capita
	General Obligation	Capital Lease	Term Loan Payable	Water Bonds	Sewer Bonds	Combined Utility Bonds	Term Loan Payable					
2011	33,749,705		8,750,000				788,188	43,287,893	49,115	2.61	33,720	1,284
2012	37,832,839						675,589	38,508,428	50,559	2.24	34,000	1,133
2013	48,193,354						562,992	48,756,346	52,943	2.67	34,460	1,415
2014	39,375,000		7,367,710			18,355,000	1,014,416	66,112,126	58,402	2.72	41,630	1,588
2015	40,730,841	51,475,433	7,153,969			19,021,527	1,024,715	119,406,485	61,021	4.59	42,640	2,800
2016	38,897,595	50,422,952	6,706,846			18,323,246	953,791	115,304,430	64,553	4.06	43,980	2,622
2017	37,014,349	49,344,780	6,299,173			17,594,964	795,676	111,048,942	69,214	3.62	44,370	2,503
2018	35,801,103	48,016,609	5,868,142			16,846,683	637,562	107,170,099	74,620	3.17	45,260	2,368
2019	60,307,219	46,623,437	5,469,235			16,063,401	592,046	129,055,338	78,073	3.54	46,750	2,761
2020	58,153,006	45,180,265	5,009,142			15,250,120	546,530	124,139,062	NA	NA	48,400	2,565

\*Bureau of Economic Analysis

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

<b>Year</b>	<b>General Obligation Bonds</b>	<b>Total Taxable Assessed Value</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Population</b>	<b>Per Capita</b>
2011	33,749,705	6,337,894,408	0.53	33,720	1,001
2012	37,732,759	5,907,643,322	0.64	34,000	1,110
2013	48,193,354	5,804,635,963	0.83	34,460	1,399
2014	39,375,000	6,128,996,433	0.64	41,630	946
2015	92,206,274	7,651,204,010	1.21	42,640	2,162
2016	89,320,547	8,296,058,437	1.08	43,980	2,031
2017	86,359,129	8,783,447,254	0.98	44,370	1,946
2018	83,817,712	9,900,884,044	0.85	45,260	1,852
2019	106,930,656	11,415,273,674	0.94	46,750	2,287
2020	103,333,271	12,385,900,325	0.83	48,400	2,135

**Computation of Direct and Overlapping Debt  
December 2020**

Overlapping Debt			
Governmental Unit	Net Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
King County	\$654,637,854	1.93%	\$12,620,221
Snohomish County	321,890,539	8.53%	27,462,796
Northshore School District	511,376,466	53.48%	273,481,351
King County Hospital #2	220,988,743	14.83%	32,769,941
Port of Seattle	311,175,000	1.93%	5,998,816
Northshore Parks & Rec	118,652	26.76%	31,755
King County Library System	55,215,699	3.25%	1,792,028
<b>Total overlapping debt</b>	<b><u>\$2,075,402,953</u></b>		<b><u>\$354,156,907</u></b>
Direct Debt			
City of Bothell	\$108,342,413	100.00%	\$108,342,413
<b>Total direct and overlapping debt</b>	<b><u>\$2,183,745,366</u></b>		<b><u>\$462,499,320</u></b>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Bothell. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. The information shown above regarding outstanding debt of various governmental units and estimated percentage overlap has been provided by King County and Snohomish County and has not been independently verified by the City.

**Legal Debt Margin Information  
Last Ten Fiscal Years**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed value	\$6,337,894,408	\$5,907,643,322	\$5,804,635,963	\$6,128,996,433	\$7,651,204,010	\$8,296,058,437	\$8,783,447,254	\$9,900,884,044	\$11,415,273,674	\$12,385,900,325
Debt limit (7.5% of assessed value)	475,342,081	443,073,249	435,347,697	459,674,732	573,840,301	622,204,383	658,758,544	742,566,303	856,145,526	928,942,524
Debt applicable to limit										
General obligation bonds	33,805,000	37,832,839	48,193,354	46,742,710	99,360,243	96,027,393	92,658,302	89,685,854	112,399,891	108,342,413
Less: amount set aside for repayment	55,295	100,080	103,808	29,738	396	(928)	88,030	0	0	0
Total net debt applicable to limit	33,749,705	37,732,759	48,089,546	46,712,972	99,359,847	96,028,321	92,570,272	89,685,854	112,399,891	108,342,413
<b>Legal debt margin</b>	<b>441,592,376</b>	<b>405,340,490</b>	<b>387,258,151</b>	<b>412,961,760</b>	<b>474,480,454</b>	<b>526,176,061</b>	<b>566,188,272</b>	<b>652,880,449</b>	<b>743,745,634</b>	<b>820,600,112</b>
Total net debt applicable to the limit as a percentage of debt limit	7.10%	8.52%	11.05%	10.16%	17.31%	15.43%	14.05%	12.08%	13.13%	11.66%

**Pledged-Revenue Coverage  
Last Ten Fiscal Years**

**Combined Utility System Bonds**

Year	Utility Service Charges	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2014	\$15,996,535	\$13,332,786	\$2,663,749	\$520,000	\$794,301	2.03
2015	\$19,071,965	\$13,913,731	\$5,158,234	\$635,000	\$676,769	3.93
2016	\$20,005,376	\$14,487,888	\$5,517,488	\$665,000	\$651,369	4.19
2017	\$19,836,124	\$16,671,040	\$3,165,084	\$665,000	\$651,369	2.40
2018	\$21,739,505	\$17,136,580	\$4,602,924	\$685,000	\$624,769	3.51
2019	\$21,577,950	\$18,790,331	\$2,787,619	\$720,000	\$590,519	2.13
2020	\$19,996,658	\$18,433,501	\$1,563,158	\$750,000	\$561,719	1.19

**Utility Revenue Bond (Water) Debt Service Coverage Ratios**

Year	Operating Revenue	Operating Expense	Operating Income	Debt Service	Coverage Ratio
2014	\$4,247,227	\$3,963,237	\$283,990		
2015	\$6,053,287	\$4,320,189	\$1,733,098	\$277,473	6.25
2016	\$5,722,568	\$4,180,760	\$1,541,808	\$277,681	5.55
2017	\$5,686,533	\$4,730,981	\$955,552	\$277,281	3.45
2018	\$5,723,140	\$4,754,634	\$968,506	\$276,681	3.50
2019	\$5,873,078	\$5,334,420	\$538,658	\$274,431	1.96
2020	\$5,290,454	\$5,294,909	(\$4,455)	\$278,431	(0.02)

**Utility Revenue Bond (Sewer) Debt Service Coverage Ratios**

Year	Operating Revenue	Operating Expense	Operating Income	Debt Service	Coverage Ratio
2014	\$6,601,973	\$5,830,950	\$771,023		
2015	\$7,556,241	\$5,979,353	\$1,576,888	\$125,380	12.58
2016	\$7,998,203	\$6,273,035	\$1,725,168	\$124,206	13.89
2017	\$7,879,956	\$6,931,407	\$948,549	\$126,806	7.48
2018	\$8,284,176	\$7,040,320	\$1,243,856	\$124,206	10.01
2019	\$8,338,855	\$8,034,340	\$304,515	\$125,956	2.42
2020	\$8,039,850	\$7,959,619	\$80,232	\$123,156	0.65

**Utility Revenue Bond (Storm & Surface Water) Debt Service Coverage Ratios**

Year	Operating Revenue	Operating Expense	Operating Income	Debt Service	Coverage Ratio
2014	\$5,147,336	\$3,538,598	\$1,608,738		1.77
2015	\$5,462,436	\$3,614,189	\$1,848,247	\$911,448	2.03
2016	\$6,284,605	\$4,034,093	\$2,250,512	\$909,881	2.47
2017	\$6,269,634	\$5,008,652	\$1,260,982	\$912,281	1.38
2018	\$7,732,189	\$5,341,626	\$2,390,563	\$908,881	2.63
2019	\$7,366,017	\$5,421,571	\$1,944,446	\$910,131	2.14
2020	\$6,666,354	\$5,178,973	\$1,487,381	\$1,311,719	1.13

**Notes:**

- Details regarding the City's outstanding debt can be found in the notes to the financial statements
- Operating expenses do not include interest and depreciation expenses
- 2014 Combined Utility Bonds debt service requirement is maximum annual debt service of \$1,316,369



## Utility Revenue Bond Statistics

Water Total Volume						
Year	Residential Volume (CCF) <sup>1</sup>	Commercial Volume (CCF) <sup>2</sup>	Irrigation Volume (CCF)	Residential Revenue	Commercial Revenue	Irrigation Revenue
2014	449,900	153,098	101,396	\$2,068,377	\$766,624	\$767,292
2015	431,743	159,648	136,363	\$2,842,981	\$891,066	\$1,027,296
2016	443,516	175,473	121,815	\$2,407,187	\$956,181	\$920,974
2017	456,067	153,945	121,580	\$2,657,446	\$909,992	\$1,036,958
2018	448,612	144,179	118,492	\$2,834,251	\$894,790	\$1,023,423
2019	462,326	146,177	106,199	\$2,971,814	\$977,465	\$893,613
2020	469,010	95,303	94,827	\$3,144,118	\$747,018	\$801,570

<sup>1</sup> Residential includes apartments and mobile home parks

<sup>2</sup> Commercial volume includes government/education

Water Utility Customers				Water Total Consumption			
Year	Residential	Commercial/ Nonresidential	Total	Year	Consumption (CCF)	Number of Accounts	Average GPD/Account
2014	3,494	502	3,996	2014	715,943	4,031	363.98
2015	3,580	505	4,085	2015	754,601	4,085	378.56
2016	3,656	519	4,175	2016	753,195	4,175	371.04
2017	4,079	580	4,659	2017	745,366	4,230	367.00
2018	3,776	512	4,288	2018	711,283	4,288	339.94
2019	3,786	506	4,292	2019	714,905	4,292	341.35
2020	3,794	516	4,310	2020	659,140	4,310	312.60

Sewer Total Consumption				
Year	Residential Volume (CCF)	Commercial Volume (CCF)	Residential Revenue	Commercial Revenue
2014	449,900	153,098	\$5,140,586	\$1,028,971
2015	431,743	159,648	\$5,526,670	\$1,183,067
2016	443,516	175,473	\$5,732,613	\$1,363,537
2017	456,067	153,945	\$6,021,440	\$1,240,531
2018	249,216	144,179	\$6,259,635	\$1,194,226
2019	240,893	295,857	\$6,810,922	\$1,214,667
2020	290,318	274,035	\$7,133,743	\$713,867

Sewer Utility Customers			
Year	Residential	Commercial/ Nonresidential	Total
2014	4,764	333	5,097
2015	4,795	333	5,128
2016	4,867	333	5,200
2017	5,373	343	5,716
2018	4,977	309	5,286
2019	4,747	637	5,384
2020	4,801	639	5,440

Approximately 88% of Sewer Utility customers are residential and the remainder are commercial or non-residential

Storm & Surface Water Utility Customers					
Year	Residential	Condominiums	Seniors	Commercial/ Nonresidential	Total
2014	9,528	1,613	491	805	12,437
2015	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A
2018	10,040	2,556	395	773	13,764
2019	11,008	2,845	295	916	15,064
2020	10,652	2,919	229	893	14,693

Approximately 73% of Storm & Surface Water Utility customers are residential and the remainder are commercial or non-residential.

Note:

-See the BMC Title 18 for utility rates on the City's website

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>Education Level in Years of Schooling</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2011	33,720	1,704,849	50,559	38	13.7	27,598	7.90%
2012	34,000	1,800,062	52,943	38	13.7	28,390	6.50%
2013	34,460	1,890,053	65,131	38	13.7	25,548	5.30%
2014	41,630	2,460,526	59,105	40	13.7	29,140	4.60%
2015	42,640	2,683,704	61,021	40	13.7	30,995	5.00%
2016	43,980	2,839,041	64,553	40	13.7	31,984	3.70%
2017	44,370	3,089,084	69,621	38	13.7	31,528	4.10%
2018	45,260	3,377,301	74,620	38	13.7	32,286	3.30%
2019	46,750	3,649,913	78,073	38	13.7	33,608	4.30%
2020	48,400	NA	NA	38	13.7	34,099	7.20%

## Sources:

- Washington State - Office of Financial Management (OFM)
  - US Department of Labor - Bureau of Labor Statistics (BLS)
  - US Department of Commerce - Bureau of Economic Analysis (BEA)
  - Northshore School District (NSSD), University of Washington-Bothell (UW-B), Cascadia Community College
  - US Census Bureau 2010 Demographic Profile Data
  - Northshore School District (NSSD), University of Washington-Bothell (UW-B), Cascadia College
- NA = Not Available

**Principal Employers  
Current Year and Ten Years Ago**

Employer	Product or Service	2020			2011		
		Rank	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment
Northshore School District	Education	1	2,369	8.38%	2	1,800	7.71%
Seagen Inc	Manufacturer	2	1,457	5.15%			
AT&T Mobile	Telecommunications	3	1,212	4.29%	1	1,968	8.43%
Phillips Ultrasound	Diagnostic imaging manufacturer	4	955	3.38%	3	1,116	4.78%
University of Washington-Bothell	Education	5	712	2.52%	5	499	2.14%
T-Mobile West LLC	Telecommunications	6	692	2.45%	4	655	2.80%
Puget Sound Energy	Utility services - electric/gas	7	554	1.96%	9	433	1.85%
Fuji	Manufacturer	8	493	1.74%			
Panasonic (Matsushita) Avionics	Aviation manufacturer	9	361	1.28%	8	434	1.86%
City of Bothell	Municipal government	10	380	1.34%			
Seattle Genetics	Manufacturer				7	441	1.89%
Vertafore Inc	Insurance technology				6	450	1.93%
Allstate Insurance	Insurance				10	300	1.28%
<b>Total</b>			<b>9,185</b>	<b>32.49%</b>		<b>8,096</b>	<b>34.67%</b>

## Sources:

- City of Bothell Business License System
- City of Bothell Human Resources Department
- Northshore School District (NSSD)
- University of Washington-Bothell (UW-B)

**Full-Time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Executive</b>										
Legislative	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
City Manager	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	6.00	6.50
City Clerk	2.75	2.75	2.75	2.75	2.75	3.00	3.00	3.00	3.00	3.00
<b>Information Technology</b>	10.00	10.00	10.00	10.00	10.00	10.00	14.00	15.00	17.50	17.50
<b>Municipal Court</b>	4.50	4.50	4.50	4.50	4.50	4.50	6.35	6.85	7.85	7.85
<b>Non-Dept/Tourism</b>	1.00	1.00	1.00	1.00	1.00	1.00	1.20	1.20	3.05	2.925
<b>Finance</b>	8.25	8.25	8.65	8.65	8.85	9.20	12.20	12.75	9.75	10.00
<b>Legal</b>	3.56	3.56	4.15	4.15	4.15	4.15	5.75	5.75	5.75	5.75
<b>Human Resources</b>	6.00	6.00	6.00	6.00	6.00	6.00	5.00	6.00	5.00	5.00
<b>Police</b>										
Officers	58.00	58.00	58.00	58.00	57.00	57.00	57.00	55.00	77.00	77.00
Civilians	25.75	25.75	26.75	32.00	32.00	32.00	32.00	39.00	35.00	35.00
<b>Fire</b>										
Firefighters and officers	57.00	57.00	57.00	57.00	57.00	57.00	57.00	62.00	68.00	68.00
Civilians	7.75	7.75	7.75	9.75	9.75	9.75	9.25	7.25	7.25	6.75
<b>Community Development</b>	21.00	21.00	21.00	22.00	23.50	23.50	24.00	24.00	25.00	25.00
<b>Parks &amp; Recreation</b>	10.42	10.42	9.45	11.45	11.50	11.50	15.80	15.80	16.50	16.50
<b>Public Works</b>										
Facilities	4.71	4.71	4.55	5.30	5.30	5.30	7.60	7.60	8.65	7.65
Engineering	26.27	26.27	25.20	25.20	25.71	25.71	24.80	25.80	25.85	26.35
Street	7.80	7.80	7.30	8.60	10.71	10.71	13.30	13.30	13.75	13.75
Water	8.83	8.83	8.81	8.83	8.94	8.94	9.86	9.58	9.48	9.4375
Sewer	8.41	8.41	8.43	9.43	9.54	9.54	9.46	9.18	8.98	8.9375
Storm & Surface Water	13.31	13.31	15.06	17.24	18.35	18.35	20.49	20.49	20.15	19.85
Fleet	2.72	2.72	2.55	2.80	2.80	2.80	2.80	2.80	4.85	5.85
<b>Self-Insurance/Risk Mgmt</b>	.70	.70	1.35	1.35	1.35	1.35	1.25	1.25	2.25	2.25
<b>Totals</b>	<b>302.73</b>	<b>302.73</b>	<b>304.25</b>	<b>319.00</b>	<b>323.70</b>	<b>324.30</b>	<b>345.10</b>	<b>356.60</b>	<b>387.60</b>	<b>387.85</b>

Source: Finance Department

Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police</b>										
Calls for service	25,071	26,417	25,188	26,891	25,865	29,758	27,923	27,491	26,524	26,051
Physical arrests	1,568	1,565	NA	NA	NA	682	1,133	1,221	1,631	2,282
Traffic violations	3,828	3,625	2,472	2,388	2,512	2,791	2,914	2,237	2,369	1,916
<b>Fire</b>										
Incident Responses	4,975	4,946	5,300	5,870	6,196	6,253	6,341	6,350	6,641	6,448
Inspections	1,193	1,422	1,324	2,210	1,174	1,799	569	885	1,342	248
<b>Community Development</b>										
Building permits issued	464	529	633	519	607	709	1,590	1,739	1,609	1,359
Building inspections	3,132	3,177	4,223	5,428	5,241	6,089	5,445	9,819	7,024	5,255
<b>Parks and Recreation</b>										
Field & shelter bookings	2,332	2,444	2,703	2,394	2,808	2,764	1181*	2,434	2,518	543**
<b>Water</b>										
Units served	3,950	3,944	3,950	3,996	4,083	4,175	4,659	4,337	4,292	4,232
Water main breaks	2				2		3	3	1	5
Average daily consumption (thousands of gallons)	1,287	1,324	1,360	1,470	1,499	1,496	1,552	1,478	1,575	1,429

Sources: City Departments

NA = Not Available

\*Incomplete data due to software conversion. Data from July-December 2017.

\*\*January-August field rentals cancelled due to Covid pandemic.

**Capital Asset Statistics by Function/Program  
Last Ten Fiscal Years**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Public Safety</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	3	3	3	3	3	3	3	3	3	3
<b>Public Works - Streets</b>										
Streets (miles)	326	326	262.7*	302	303.4	303.9	306.4	304.7	308.3	308.7
Street lights	1,957	1,957	2,100	2,100	2,100	2,100	NA	NA	NA	NA
<b>Parks and Recreation</b>										
Acreage	237.23	237.23	247.62	262.7	262.7	297.07	400.54	405.54	403.09	387.9
Parks	23	23	23	24	24	27	28	28	26	26
<b>Water</b>										
Water mains (miles)	72.5	79.5	94.9	96.9	97.8	115.3	116.5	117.5	120	120.3
<b>Sewer/Storm &amp; Surface Water</b>										
Sanitary sewers (miles)	58.6	62.4	62.8	63.9	65.00	69.20	69.60	70.1	70.5	70.8
Storm sewers (miles)	110	119.9	119.9	139.7	143.0	145.7	143.4	145.4	145.9	149.1

Sources: City Departments

NA = Not Available



City of Bothell<sup>TM</sup>